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PARIS, WEDNESDAY, JULY 4, 1984

Algeria	1,000	Algeria	1,000	Algeria	1,000
Argentina	1,000	Argentina	1,000	Argentina	1,000
Australia	1,000	Australia	1,000	Australia	1,000
Bahamas	1,000	Bahamas	1,000	Bahamas	1,000
Bahrain	1,000	Bahrain	1,000	Bahrain	1,000
Belize	1,000	Belize	1,000	Belize	1,000
Bermuda	1,000	Bermuda	1,000	Bermuda	1,000
Bhutan	1,000	Bhutan	1,000	Bhutan	1,000
Bolivia	1,000	Bolivia	1,000	Bolivia	1,000
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Brazil	1,000	Brazil	1,000	Brazil	1,000
Bulgaria	1,000	Bulgaria	1,000	Bulgaria	1,000
Burkina Faso	1,000	Burkina Faso	1,000	Burkina Faso	1,000
Burundi	1,000	Burundi	1,000	Burundi	1,000
Cambodia	1,000	Cambodia	1,000	Cambodia	1,000
Cameroon	1,000	Cameroon	1,000	Cameroon	1,000
Canada	1,000	Canada	1,000	Canada	1,000
Cape Verde	1,000	Cape Verde	1,000	Cape Verde	1,000
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Czech Republic	1,000	Czech Republic	1,000	Czech Republic	1,000
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El Salvador	1,000	El Salvador	1,000	El Salvador	1,000
Equatorial Guinea	1,000	Equatorial Guinea	1,000	Equatorial Guinea	1,000
Eritrea	1,000	Eritrea	1,000	Eritrea	1,000
Estonia	1,000	Estonia	1,000	Estonia	1,000
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Finland	1,000	Finland	1,000	Finland	1,000
France	1,000	France	1,000	France	1,000
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Gabon	1,000	Gabon	1,000	Gabon	1,000
Gambia	1,000	Gambia	1,000	Gambia	1,000
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Guatemala	1,000	Guatemala	1,000	Guatemala	1,000
Guinea	1,000	Guinea	1,000	Guinea	1,000
Guinea-Bissau	1,000	Guinea-Bissau	1,000	Guinea-Bissau	1,000
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Iceland	1,000	Iceland	1,000	Iceland	1,000
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Indonesia	1,000	Indonesia	1,000	Indonesia	1,000
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Jamaica	1,000	Jamaica	1,000	Jamaica	1,000
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Jordan	1,000	Jordan	1,000	Jordan	1,000
Kazakhstan	1,000	Kazakhstan	1,000	Kazakhstan	1,000
Kenya	1,000	Kenya	1,000	Kenya	1,000
Korea	1,000	Korea	1,000	Korea	1,000
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Maldives	1,000	Maldives	1,000	Maldives	1,000
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Malta	1,000	Malta	1,000	Malta	1,000
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Mauritius	1,000	Mauritius	1,000	Mauritius	1,000
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Montenegro	1,000	Montenegro	1,000	Montenegro	1,000
Morocco	1,000	Morocco	1,000	Morocco	1,000
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Nicaragua	1,000	Nicaragua	1,000	Nicaragua	1,000
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Oman	1,000	Oman	1,000	Oman	1,000
Pakistan	1,000	Pakistan	1,000	Pakistan	1,000
Panama	1,000	Panama	1,000	Panama	1,000
Papua New Guinea	1,000	Papua New Guinea	1,000	Papua New Guinea	1,000
Paraguay	1,000	Paraguay	1,000	Paraguay	1,000
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South Africa	1,000	South Africa	1,000	South Africa	1,000
South Korea	1,000	South Korea	1,000	South Korea	1,000
Spain	1,000	Spain	1,000	Spain	1,000
Sri Lanka	1,000	Sri Lanka	1,000	Sri Lanka	1,000
St. Kitts and Nevis	1,000	St. Kitts and Nevis	1,000	St. Kitts and Nevis	1,000
St. Lucia	1,000	St. Lucia	1,000	St. Lucia	1,000
St. Vincent and the Grenadines	1,000	St. Vincent and the Grenadines	1,000	St. Vincent and the Grenadines	1,000
Sweden	1,000	Sweden	1,000	Sweden	1,000
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Trinidad and Tobago	1,000	Trinidad and Tobago	1,000	Trinidad and Tobago	1,000
Tunisia	1,000	Tunisia	1,000	Tunisia	1,000
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United Kingdom	1,000	United Kingdom	1,000	United Kingdom	1,000
United States	1,000	United States	1,000	United States	1,000
Uruguay	1,000	Uruguay	1,000	Uruguay	1,000
Uzbekistan	1,000	Uzbekistan	1,000	Uzbekistan	1,000
Venezuela	1,000	Venezuela	1,000	Venezuela	1,000
Vietnam	1,000	Vietnam	1,000	Vietnam	1,000
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## Multz Gives Envoy ote for Soviet on pace Arms Talks

By Walter Pincus  
Washington Post Service

WASHINGTON — The Soviet Union's ambassador to Washington, Anatoli F. Dobrynin, met with Secretary of State George P. Shultz Tuesday for a discussion of the Soviet proposal for a demilitarization of space.

Officials said Monday that the U.S. delegation would be prepared to discuss a possible agreement on limiting anti-satellite weapons but would also feel free to raise the issue of resumption of talks on nuclear medium-range and strategic missiles.

### U.S. Denies Shift in Focus

Mr. Hughes said that the Reagan administration had accepted the Soviet invitation to the talks and was not trying to shift their focus from space weapons to stalled missile negotiations, Reuters reported from Washington.

Last week, as it publicly accepted Moscow's proposal for talks in September, the United States said it also wanted to raise nuclear arms control issues, a position the Kremlin said was unsatisfactory.

A White House official who briefed reporters last Friday appeared to give the nuclear arms issue high priority, but Mr. Hughes said Tuesday: "This is not a correct impression."

U.S. officials said the next move should come from Moscow.

Mr. Hughes said: "The Soviets have issued an invitation to meet and discuss a certain subject. We have accepted that invitation to meet."

"We will listen to additional items that they want to bring up and we will have some items of our own."

### U.K.-Kremlin Talks End

Seth Meyers of The New York Times reported from Moscow.

Britain's foreign secretary, Sir Geoffrey Howe, ended two days of talks with Kremlin leaders on Tuesday and said he had assured them that the United States set no preconditions for negotiations.

He chided the Soviet Union for rebuffing an American acceptance of its offer to meet to negotiate a ban on space weapons.

"People will find it difficult to understand that the Soviet Union is unwilling to follow up even on their own proposal," he said. It could appear that the talks had been a failure, he added.

At a news conference after five hours of talks with Foreign Minister Andrei A. Gromyko and a meeting Tuesday night with President Konstantin U. Chernenko, both Sir Geoffrey and a Soviet spokesman indicated that the talks had not always gone smoothly.

The Soviet spokesman, Vladimir Lomelko, said Sir Geoffrey had said nothing constructive on the issue of nuclear disarmament and added that British and Soviet views

(Continued on Page 2, Col. 7)



Anatoli F. Dobrynin, the Soviet ambassador to Washington, left, a breakfast meeting with Secretary of State George P. Shultz Tuesday after discussing proposed talks on anti-satellite weapons. He said the meeting was useful.

## U.S. Agreed to Soviet Offer, Then Defined Policy

By Leslie H. Gelb  
New York Times Service

WASHINGTON — President Ronald Reagan agreed to explore Moscow's offer to begin talks on limiting anti-satellite weapons last week before the administration had decided what its bargaining position would be, according to administration officials.

Mr. Reagan's rapid decision to respond positively on Friday was seen as reflecting his determination to retain the diplomatic and political initiative in the scowling public diplomacy with the Soviet Union.

At the same time, officials and diplomats are uncertain whether the Soviet offer remains valid.

The White House spokesman, Larry M. Speakes, said Monday, "We will be there in September," as Moscow proposed Friday. But he repeated that the administration intended to raise its own agenda at such talks — the resumption of negotiations on medium-range missiles in Europe and strategic nuclear forces. He said Soviet agreement to this was not a condition for the proposed meeting in Vienna.

In Moscow on Monday, Foreign Minister Andrei A. Gromyko spoke of this as an unacceptable condition. On Sunday, the Soviet Union called the U.S. response "totally unacceptable" but stopped short of breaking off the exchanges.

Officials in Washington said the diplomatic state of play was not advanced Sunday night at the White House when Mr. Reagan and Secretary of State George P. Shultz talked with the Soviet ambassador, Anatoli F. Dobrynin, at a barbecue for the diplomatic corps. Mr. Shultz was said to have had the impression that Mr. Dobrynin himself was unsure what the next Soviet move would be.

A White House official said Mr.

Reagan had "put the lid on" further public diplomacy to avoid the appearance of trying to score points off the Soviets. He added: "We've already scored plenty."

The latest review of administration policy on anti-satellite weapons is not scheduled for completion until the end of July, according to officials. The administration remains dubious about the value of any accord, and a high White House official said privately Monday that "we don't see much prospect for movement" but that the administration is willing to talk.

So far, officials say only two things are clear about the evolving American position: that Mr. Reagan will insist on making some kind of proposal, and that nothing be proposed or accepted that could jeopardize the planned testing of a new U.S. anti-satellite weapon.

The Russians have what experts say is a rudimentary anti-satellite weapon. They have refrained from testing it since last August.

The apparent Soviet rejection of the administration's acceptance of its offer of talks is the most recent in what officials saw as a chain of surprises.

They said there was nothing in the private diplomatic channels to indicate that Moscow was about to make a new move.

Officials provided this account of what happened:

Mr. Dobrynin delivered the proposal to Mr. Shultz late Friday morning. Mr. Shultz then met with Mr. Reagan and Robert C. McFarlane, the president's national security adviser, and agreed on a positive response, reaffirming U.S. insistence on talking about missiles in addition to anti-satellite missiles but not making that a condition for the talks.

Mr. Reagan then left for Camp David. As he boarded his helicopter,

he was asked by a reporter about the Soviet proposal, which by then had been made public in Moscow, unknown to Mr. Reagan.

Mr. McFarlane then called a meeting of the Senior Arms Control Policy Group, which drafted a response.

The document was taken to James A. Baker 3d, the White House chief of staff, who added the phrase "on other matters of interest to both sides" to a sentence that began, "We will also be prepared to discuss any other arms control concerns."

The civilian leaders in the Pentagon are still said to be against any bargaining with Moscow on anti-satellite weapons, whether in informal talks or formal negotiations.

Their argument is that even talking about modest confidence-

building measures or rules to avoid accidents would put the administration on a "slippery slope." Pressures would build up during the talks, and the administration would find itself agreeing to unverifiable limitations on weapons.

The State Department continues to press for a proposal on confidence-building measures and related exchanges of information and procedures. Many officials in the department would like to go further and recommend discussions on banning anti-satellite systems above 22,000 miles (36,000 kilometers). The current Soviet system only satellites in low orbit a few thousand miles above the Earth.

The consensus in the administration is that Moscow was caught off stride by the positive U.S. response.

## Key Agreement On German Ties Reported Near

By James M. Markham  
New York Times Service

BONN — In a development that appeared to presage a major breakthrough in their bilateral relations, West Germany and East Germany were reported Tuesday night to be engaged in negotiating an ambitious package of agreements, including a new private bank credit to the Communist state and a reduction of the obligatory foreign exchange demands of visitors.

The news of the package was broken by West German television and broadly confirmed by diplomats and banking sources.

Without denying the reports, the West German government Tuesday night issued a mild disclaimer, saying they were based on "speculation." But the statement conceded that the two German governments were engaged in discussions over "further practical arrangements" to improve bilateral ties "in the interest of people in both parts of Germany."

"These discussions are not yet concluded," the statement added.

The reports came as a tense confrontation was defused in East Berlin when all but 6 of the 55 East Germans who had taken refuge in the West German diplomatic mission were said to have abandoned the building Tuesday. Twenty-five reportedly left the mission Friday.

The East Germans were evidently reassured by commitments that they would eventually be allowed to emigrate to the West.

In East Berlin, where he has been locked in wide-ranging talks, Ludwig Rehnert, a senior Bonn official, suggested to journalists that the ultimate resolution of the tense situation at the mission could open the way to wider agreements between the two Germans.

"There is reason to assume," he said, using the German initials for the German Democratic Republic, "that the appropriate authorities in the DDR will grant emigration departures in the context of family reunification when the situation in the mission is normalized—that is, when the last ones are gone."

The crashing of the mission by East Germans trying to flee in the West forced Bonn last Wednesday to close the building altogether after having turned away several scores of asylum-seekers. The closure followed an unsuccessful attempt by a young East German to immolate himself in front of the mission.

Mr. Rehnert's talks, according to a number of accounts, spilled into the broader realm of bilateral accords between the two German states that both sides would like to conclude before Erich Honecker, the East German leader, makes an official visit to West Germany in late September.

According to West German television and other information available Tuesday night, the agreements touch on the following points:

• A new private bank loan to East Germany that is guaranteed by the West German government.

• A consortium led by Deutsche Bank, according to banking sources, has put together the loan, which is said to be smaller than the credit of 1.1 billion Deutsche marks (\$396.8 million) extended last year.



# To Japanese Villager, Saving the Whale Means Losing His Job

By Clyde Haberman

New York Times Service

TAJII, Japan — Wataru Kohama makes his living harpooning whales. He has an earnest face and a ready laugh. When he is home here, he likes to play softball with his neighbors. His bookshelves contain anthologies that long days and the sea enable him to read — authors who include Frost and Kafka and, of course, Melville. Still, as benign as that may be, his livelihood comes from killing whales. To preservationists, who fear that some species of whales have been pushed to the edge of extinction, it makes Mr. Kohama an enemy.

The anti-whaling forces won a victory in June when the International Whaling Commission voted to reduce next year's quotas by more than a third.

In 1986 the stakes will be much higher. Unless Japan defies it, a five-year moratorium imposed by the commission on all commercial whaling will go into effect, costing Mr. Kohama his 36-year career.

He does not fully understand why this has happened.

From where he stands, on the bow of his whaling ship, the Minke whale does not face extinction. In fact, statistics suggest to him that the Minke population is growing.

It is now three months since he returned to Tajii

from his latest journey to the Antarctic, where he chased the swift, 25-foot Minke. He killed 790 whales, hitting nearly nine of every 10 that fell within range of his explosive-charged harpoon.

Whatever anyone thinks, that does not make him a villain. Mr. Kohama, 53, said, "I feel sorry sometimes for the whale but not guilt. It is just another food source, like fish."

He believes he is carrying on an honorable tradition, one that has engaged at least five generations of Kohamas and that for 400 years has given life to this coastal edge of the mountain-ribbed Kii Peninsula in southern Japan.

The action by the whaling commission last week caught Japan by surprise. It had not expected such a sharp cut in quotas.

The permissible worldwide catch of Minke, the major species that is hunted, will be 4,224 for the Antarctic Ocean next year. Japan's share will probably be about 1,900. That is one-tenth its harvest a decade ago.

The government has not said if it will abide by the 1986 moratorium. The whaling commission has no enforcement power. But in the event of Japanese defiance, the United States is committed to an automatic 50 percent reduction of Japan's allowable fish

catch in American waters. It would be a severe blow. For Japan, the fish harvest is worth more than 10 times the \$40 million that its whale industry produces.

Whale meat, with a texture and taste that some people find reminiscent of beef, is now a costly delicacy in Japan. The whaling industry has shrunk to the extent that it directly employs only 1,300 people.

The Japanese argue that their allowable catch of Antarctic Ocean Minke whales — 3,027 in 1984 — represents less than 1 percent of the number in the region.

"I was in Australia last year and saw a cattle roundup," said Tajii's mayor, Yoshio Seko. "What did they then do? They killed the cattle. Why is that better than killing whales?"

Tajii has grown accustomed to its residents giving up the trade to drift into other jobs. These days, Mr. Seko says, a more dependable source of revenue is the town's whaling museum and adjacent aquarium, where dolphins perform for midday audiences.

About 50 whalers remain among the 4,600 residents, as well as another 40 people who process some of the meat in small family operations. Only one fair-sized processing plant is left, employing 15 people and owned by a Tokyo-based company, Nihon Hoge. According to the manager, Toshihiko Abe, no new employee has been hired in a decade.

A boat from Japan's southern coastal waters, carrying the remains of a 36-foot whale, arrived in Tajii last week. The whale had already been cut into pieces at an offshore processing station.

In a wooden shed, Nihon Hoge workers stood astride a conveyor belt that rolled slabs of dark red flesh past them. With grapping hooks and butcher knives, they trimmed fat and sliced the large pieces of meat into manageable portions that would find their way to wholesalers in Tokyo and Osaka.

No part of the whale would be wasted. Bones would be pulverized for fertilizer. Fat was tossed onto a heap in a corner, to be melted for oil that could be used in soap or lipstick or candles.

Depending on market conditions, Mr. Abe said, the whale would bring in between \$22,000 and \$24,000.

For Mr. Kohama, the economics of whaling have become starkly personal. A smaller catch quota means his company, Kyodo Hoge, will probably trim operations. That, in turn, will mean he spends less time at sea.

"At my age," he said, "it is difficult to find other jobs, even in the fishing industry. You can't just move to another boat. Hunting whales and hunting tuna are quite different. Nothing is like hunting whales."

## WORLD BRIEFS

### Bonn Arrests 4 Suspected Terrorists

KARLSRUHE, West Germany (AP) — Police arrested four persons they believe are top members of the Red Army Faction in a raid on a Frankfurt apartment where handguns and a grenade were seized, the Federal Prosecutor's Office announced Tuesday.

The four, accused of being members of the extremist leftist group, were identified as Christa Eckes, 34, Ingrid Jakobsmeier, 30, Stefan Frey, 24, and Helmut Pohl, 40. They have been sought for several years on arrest warrants accusing them of belonging to a terrorist organization and other charges.

The Red Army Faction is suspected of staging periodic bank holdups to finance hideouts and weapons caches around the country. But it has not claimed any major attacks since the 1981 bombing of the U.S. Air Force's European headquarters at Ramstein, in which 20 people were injured, and the attempt to kill the commander of the U.S. Army in Europe, General Frederick J. Kroesen, in a 1981 grenade attack.

### Bolivian Colonel Ousted After Coup

LA PAZ (AP) — The army high command has dismissed Bolivia's second-ranking defense official and declared that he was suspected of participating in an attempted coup against the government of President Hernán Siles Zúñiga, a military officer announced.

The defense undersecretary, Colonel Mario Ota Bustos, was ordered to report for questioning about his alleged role in the plot, the officer, who insisted on anonymity, said Monday.

Colonel Ota, who had held his post since President Siles Zúñiga took office in October 1982, is the highest-ranking government official implicated in Saturday's attempted coup, which began with the abduction of the president. Two former cabinet ministers and about 100 rightist military officers, policemen and politicians have been arrested.

### Guatemala Centrist Party Takes Lead

GUATEMALA CITY (AP) — The centrist Christian Democratic Party has taken the lead in tabulation of ballots cast in elections for an assembly that will be charged with rewriting the constitution to allow a return to civilian rule next year.

The Supreme Electoral Tribunal said late Monday that the Christian Democrats had received 208,024 votes or 17.6 percent of the total. Ballots cast at 59 percent of the 4,090 polling stations had been counted.

The Union of the National Center, a new party that had previously been ahead in the tabulations, dropped to second place with 177,302 votes or 15 percent. A conservative coalition of the Movement of National Liberation and the Nationalist Authentic Center was in third place with 143,795 votes or 12.1 percent.

### NATO Chief Said to Seek Toxic Arms

LONDON (UPI) — The commander of NATO's forces wants the alliance to deploy binary chemical weapons in Western Europe, Jane's Defense Weekly said in an edition published Wednesday.

The publication quoted General Bernard Rogers as saying, "We have to be able to be prepared to retaliate in kind if we suffer chemical attack. We are obsolescent in delivery means and in warheads."

General Rogers said NATO should deploy binary rounds being developed in the United States, in which two inert and individually harmless chemicals are combined during flight to create a lethal mixture. The U.S. Congress has voted funds for the development of such weapons but not for their full production.

### U.S. Deports Former IRA Leader

DUBLIN (Combined Dispatches) — Joseph Cahill, a former Irish Republican Army leader, arrived Tuesday in Dublin after being deported from the United States.

Mr. Cahill, 64, now an official with Sinn Féin, the IRA's political wing, was deported after pleading guilty to entering the United States illegally to raise money for Sinn Féin's European election campaign.

He was the second such deportee in two weeks. Michael O'Rourke was arrested on arrival from New York on June 20, having escaped while serving a six-year prison term on weapons and explosives charges.

Mr. Cahill drove away from Dublin airport with friends. Police said there were no charges pending against him in the Irish Republic. (Reuters, UPI)

### Manila Drops Charges Against Priests

BAKOLOD, Philippines (UPI) — Two foreign priests and six Filipino church workers were freed Tuesday when a judge dismissed murder charges against them in exchange for the priests' promise to leave the country.

The Rev. Brian Gore, 40, of Perth, Australia, and the Rev. Neil O'Brien, 44, of Dublin, who had been working as missionaries, said they would leave this month. The six Filipinos will be on probation for 18 months.

The two priests and the six lay leaders had been accused of the 1982 slaying of a town mayor and four aides. They said they had been framed because they were trying to organize poorly paid sugar plantation workers.

### Italian Official's Name on Lodge List

ROME (Reuters) — A final report Tuesday on the P-2 Masonic Lodge affair, which brought down an Italian government, described as authentic a membership list containing the name of Italy's current budget minister, Pietro Longo.

The carefully worded report by Tina Anselmi, chairman of a parliamentary commission looking into the operations of the illegal lodge, could heighten tension within the five-party coalition of Prime Minister Bettino Craxi.

The list was found in the house of the lodge's grand master, Licio Gelli. The final report said there was a remote possibility that some names were included by error. Mr. Longo denies membership.

### For the Record

The U.S. space shuttle Discovery was fitted with a new rocket engine Tuesday. Officials said the engine it replaced, which caused the first launch of the shuttle to be aborted last week, may have failed to start because of faulty insulation on a hydrogen fuel line. (UPI)

Five passengers of a Lebanese ferry which had been seized Friday by Israeli arrived Tuesday in Lebanon. The four men and one woman had been released late Monday. Four passengers still are being held by the Israelis for questioning. (Reuters)

Employees of Israel's state-owned electricity company made sporadic power cuts Tuesday in a strike for pay increases, causing traffic jams, trapping elevator passengers and forcing hospitals to switch to emergency power. (Reuters)

Two thousand Vietnamese refugees, including 300 children, went on a hunger strike Monday in Hong Kong over lack of resettlement offers by foreign countries, a Hong Kong government spokesman said Tuesday. (Reuters)

### Dobrynin Takes U.S. Note

(Continued from Page 1)

on a number of issues were diametrically opposed.

Sir Geoffrey said: "I was able to confirm authoritatively that the U.S. position is that there are no preconditions for talks. In accepting the Soviet offer, the United States said it would also want to talk about stalled negotiations on strategic and medium-range missiles."

"The Russians, in rebutting that response, said the fact that those issues were raised amounted to preconditions designed to undermine the proposal. It would be regrettable if the Soviet Union were to somehow score an own goal by considering a positive response a negative response."

In another development, Soviet authorities refused to allow the U.S. ambassador, Arthur A. Harman, to give a July 4 television address.

According to Western diplomats, a Soviet television official said that the text was part of Mr. Reagan's re-election campaign. The embassy said the message dealt solely with American opinion and the desire of Americans for a better, more stable and peaceful relationship with the Soviet Union.

Twice since 1974, U.S. ambassadors have been barred from delivering their remarks after refusing to delete passages to which the Russians objected. Tuesday's action was the first time a speech has been rejected in its entirety.

In 1977, Ambassador Malcolm Toon was barred from giving his address after refusing to delete references to the human rights policies of President Jimmy Carter. In 1980, Ambassador Thomas J. Watson Jr. was also barred after refusing to delete a reference to Afghanistan.

In the past year, the ambassadors of Britain, France and Japan have refused to alter their texts and have been stopped from appearing. Ambassadors are usually given the right to a Soviet television address on their national holidays.

## After U.K. Rejects Ulster Unity Plan, Parties Hint They Will Reopen Talks

The Associated Press

BELFAST — Protestant and Roman Catholic leaders expressed willingness Tuesday to hold new talks aimed at breaking the political deadlock in Northern Ireland.

They were responding to an appeal Monday by Britain's secretary of state for Northern Ireland, James Prior, to "find common ground."

In a six-hour debate Monday in the House of Commons in London, Britain's Conservative government rejected three proposals put forward in a report by the New Ireland Forum, initiated by Prime Minister Margaret Thatcher, to unite the province with the Catholic-dominated Republic of Ireland.

But Mr. Prior raised expectations of new talks, saying that the parties in Northern Ireland should find common ground themselves rather than "for us [the British] to try to force it upon them."

Responses from Protestant and Catholic leaders buoyed hopes that some progress could be made.

"I believe the one way forward is for us elected representatives of the Northern Ireland people to come together," said the Rev. Ian Paisley, a hard-line Protestant leader. But he reiterated that his Democratic Unionist Party would resist any move to unite the province with the Catholic-dominated Republic of Ireland.

Protestants outnumber Catholics 2-1 in Northern Ireland. James Moynihan, leader of the more moderate Protestant Official Unionists, said, "We are eager to get down to work." A moderate Catholic leader, John Hume, said that "nothing should be ruled out."

British officials cautioned that the parties' agreement in principle to talk was not a breakthrough.

"What we have here are the first tentative moves to begin an open-ended debate," said a senior British source, who declined to be identified.

British sources said no move to start new talks was expected for at least a month.

The New Ireland Forum, which published its report last May, consisted of the Irish Republic's three political parties and Mr. Hume's party from Northern Ireland. Its proposed options were a unitary state, a federation, or joint Irish and British authority over Northern Ireland.

Peter Archer, a spokesman for Britain's opposition Labor Party, welcomed Mr. Prior's call for talks but said the only way to bring peace to the province was unification with the consent of all parties.

Under the religious-political partitioning of Ireland, Protestants outnumber Catholics approximately 2-1 in Northern Ireland. The province's Protestant unionist parties generally have rejected suggestions that province establish stronger links with the Irish Republic.



Philippine opposition leader, Salvador H. Laurel, spoke in Tokyo about inquiry into death of Benigno S. Aquino Jr.

## Editor Accuses Marcos Of Cover-Up on Aquino

New York Times Service

MANILA — A Filipino newspaperman who has been in jail for nine months in connection with articles he published about the murder of Benigno S. Aquino Jr. told an investigative commission Tuesday that he believed his incarceration was part of an official cover-up.

Rommel Corro, 39, the publisher-editor of the tabloid The Philippine Times, which was raided and closed a day before his arrest Oct.

1, 1983, told the commission that he was arrested to prevent him from publishing more information he had on the assassination of the opposition leader.

Mr. Aquino was shot Aug. 21, 1983, at Manila airport as he returned under military escort from self-imposed exile in the United States.

Mr. Corro told the investigative body that a branch of the Philippine military was in constant touch with two of the supposedly independent witnesses who had testified before the commission.

He said one of the witnesses was in custody in the same quarters in which he was held, while the other reported several times to a military investigator for interviews.

His claims were disputed by Colonel Belbino Diego, chief lawyer of the Presidential Security Command. Colonel Diego said one of the witnesses, Rosendo Cawigan, had sought protective custody and could have been discussing his request for protection with the military investigator.

Mr. Cawigan is the principal witness supporting the government's claim that Mr. Aquino was slain by Communist conspirators. Mr. Cawigan had testified that he was a former Communist guerrilla and that he knew the alleged killer of Mr. Aquino, Rolando Galmien, to be an agent of the Communists.

Mr. Corro is being held without bail on suspicion of sedition.

Four issues of his tabloid, from Aug. 29 to Oct. 2, were submitted to the commission as evidence of his allegation of suppression of the truth. The same issues were the basis for the sedition charge.

### Aquino Warning on Tape

In a recording made shortly before his death, Mr. Aquino said that Imelda Marcos, the wife of President Ferdinand E. Marcos, warned him that he might be killed by Marcos loyalists if he returned to the Philippines, United Press International reported from Tokyo.

The tape was played to reporters Tuesday by Salvador H. Laurel, an opposition leader, following Mrs. Marcos's denial in sworn testimony Monday that she had warned Mr. Aquino not to return home because there were "some people loyal to us who cannot be controlled."

Mr. Laurel in Tokyo to try to persuade the Japanese government to withhold loans to the Marcos government, played a recording of a conversation he said he had with Mr. Aquino in Boston two months before his death.

"We have many loyal followers," Mr. Aquino quoted Mrs. Marcos as telling him in the recording. "They might think that if they killed you, they'd be doing us a favor."

Mr. Laurel also said he was surprised that the investigating panel ended its questioning of Mrs. Marcos, who turned 55 Monday, by singing "Happy Birthday" to her.

## UN Says Food To Aid Africa Is Insufficient

United Press International

NAIROBI — Starvation from drought will plague at least 36 southern African nations through next year, despite international relief efforts, a United Nations agency said Tuesday.

In its fifth survey on the food crisis, 24 African countries affected by lack of rain, the UN Food and Agriculture Organization said more than basic food aid was needed to end chronic food shortages in drought-stricken areas.

The report, released in Nairobi, said that after three successive crop failures, Angola, Botswana, Lesotho, Mozambique, Zambia and Zimbabwe require 46 percent more food aid in 1984-85 than in the previous one-year period.

An agency mission to southern Africa in May showed "extreme suffering of the population" in Mozambique, where security problems and a lack of transport have hindered efforts to get food aid to the starving, the report said.

"In Zambia and Zimbabwe, food aid allocations and shipments also fell short of needs, and cereal supplies were tight," the Rome-based agency said.

"Serious food supply problems are anticipated for at least another 12 months," said the report, adding that the six countries would need 2.6 million tons (2.3 million metric tons) of cereal imports in 1984-85, one million tons more than in 1983-84.

The UN agency declared the African food crisis in April 1983 and called for food aid to prevent widespread famine. "Participants now include virtually the entire international assistance community," the report said.

The 10-nation European Community led the way with pledges of more than 700,000 tons of grain to Africa for 1983-84. The United States was the second largest donor, with promises for more than 530,000 tons of cereal.

The agency said that in southern Africa, only 50 percent of the region's emergency food requirements had been met by May.

## Greece Rejects Charge by U.S. of Laxity on Terror

New York Times Service

ATHENS — A senior Greek official denied as "utterly baseless" Tuesday a State Department official's assertion that Greece was lax in combating international terrorism.

Unnamed officials of the Reagan administration made the charge in press briefings last week. The Greek official, who himself asked for anonymity, was reacting also to a statement by the assistant secretary of state for European Affairs, Richard R. Burt, that the United States found it "frustrating" to deal with the government of Prime Minister Andreas Papandreu.

Mr. Burt, speaking before a House Foreign Affairs subcommittee, said Greece was an allied government that defended the Soviet Union while criticizing the United States.

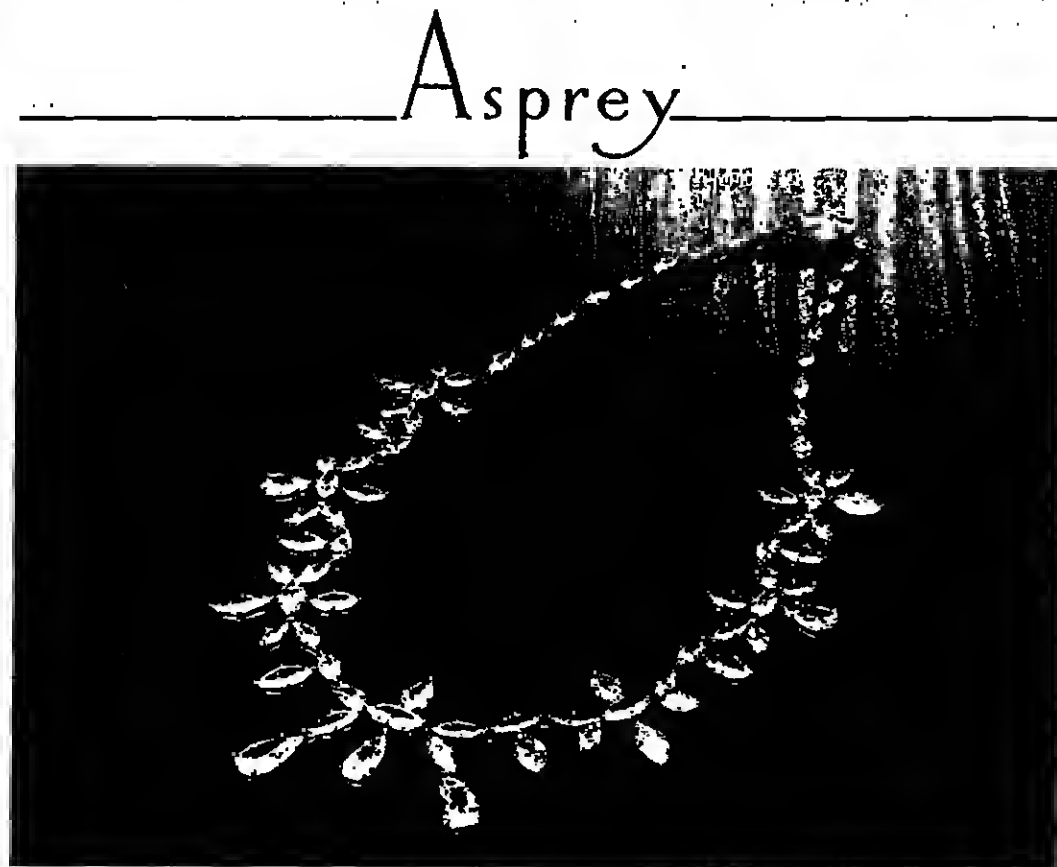
The Greek official called in foreign reporters to reject charges by the American officials that Athens had released a terrorist suspect despite evidence of guilt that the United States had supplied.

The suspect was said to have checked luggage containing a bomb on an airliner in December. But the device was not activated and did not explode.

### Russian Executed for Bribes

Reuters

MOSCOW — The director of a cotton-processing plant in Soviet Turkmenistan was executed after being found guilty of taking bribes to cover up falsification of crop figures, Pravda, the Communist Party newspaper, said Tuesday.



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## Pastora Offers to Trade Cease-Fire for Open Elections in Nicaragua

By Joanne Ormang  
Washington Post Service

WASHINGTON — Rebel leader Edén Pastora Gómez, joined by 10 prominent members of the United Front for the Restoration of Democracy, has offered the Sandinista government a cease-fire in return for open elections.

The announcement Monday is believed to reflect an effort by Nicaraguan exiles to move Mr. Pastora away from his two-year, U.S.-backed military campaign and onto strictly political paths.

Commitment from Mr. Pastora, who as Commander Zero helped overthrow Anastasio Somoza in 1979, would provide much greater legitimacy and perhaps a measure of unity for the political resistance.

His new allies, the former Nicaraguan ambassador to the United States, Arturo J. Cruz, and the former Central Bank president, Alfredo Cesar, said privately that Mr. Pastora was spending all of his time pushing what they called their "democratic political initiative" by traveling in the United States, Europe and Latin America.

"This is a lobbying effort," Mr. Cruz said. "It is not intended to substitute for the formal political parties in Nicaragua... but to help and an international consensus in support of their demands."

Mr. Cruz and Mr. Cesar have been trying, often at cross-purposes, to organize a coherent domestic and international nonviolent opposition to the Sandinistas since they broke with the government in 1982 over its increasing ties to Cuba and the Soviet Union.

Mr. Pastora's shift also reflects the narrowing of his options as a result of U.S. congressional actions and factional splits that have isolated him within the rebel group, the Democratic Revolutionary Alliance that he founded after breaking with the Sandinistas.

The alliance is one of two rebel coalitions that have been receiving aid from the CIA while mounting armed attacks on the Sandinistas, but new funds for the program are stalled in the U.S. Congress. Mr. Pastora has been resisting CIA efforts to unify the two rebel groups, but debate over the issue split the alliance and left him in the minority.

His scarred hands and his limp showing the effects of a May 30 bombing attempt on his life, Mr. Pastora said military attacks on the Sandinistas by his faction of the alliance will continue until Nicaragua accepts the demands of its internal opposition parties for elections with a free press, free debate and open participation for all candidates, including Mr. Pastora.

The Sandinista government has rejected these demands as coming from criminals who would like to restore the Somoza regime. Last week it opened trials in absentia for Mr. Pastora and other opposition leaders on charges of murder, robbery, terrorism and plotting against the government.

A spokesman at the Nicaraguan Embassy in Washington called Mr. Pastora's offer "more of the same."

The Nicaraguan government has scheduled elections for Nov. 4 and has pledged to outline conditions for the campaign and to lift the state of emergency by Aug. 8. However, Mr. Pastora and several of the opposition parties say that restrictions on campaigning will make the elections meaningless.

He called the Sandinista election preparations a Somoza-style electoral farce.

Mr. Pastora, 47, said he has support for his move from four of the alliance's six factions and their 8,000 armed men, but he deflected questions on whether he would return to the battlefield personally.

Along with many other social democrats in Europe and Latin America, Mr. Cruz and Mr. Cesar have criticized U.S. backing for the armed rebels as counterproductive and an excuse for continued domestic repression in Nicaragua.

Mr. Pastora admitted that there is a crisis within the alliance between himself and his former second in command, Alfonso Robelo, over the question of unity with the rebel group operating in northern Nicaragua. Mr. Pastora's faction claims the northern leaders include former members of Somoza's National Guard and they have so little support within Nicaragua that they must dart in and out from Honduras.



Edén Pastora Gómez

## High Court Upholds Rule On Jaycees

The Associated Press

WASHINGTON — The U.S. Supreme Court, in a ruling that could threaten the male-only status of some organizations, said Tuesday that states may force the Jaycees to admit women as full members.

In a 7-0 decision, the court upheld a Minnesota public accommodations law that states officials say requires the Jaycees to grant full membership to women. The Jaycees, formerly the U.S. Junior Chamber of Commerce, is a private organization of businessmen between the ages of 18 and 35.

The ruling's impact on other male-only organizations and groups whose memberships are based on religious belief or national origin is not clear.

The justices reversed a federal Appeals Court decision that said the Jaycees, under the Constitution's right of freedom of association, may exclude women.

By overturning the Appeals Court ruling, the high court sided with the Minnesota Supreme Court, which said the Jaycees are covered by the public accommodations law and thus cannot bar women. There were two separate suits moving through the court system — one in the state courts, the other in federal court.

In another case decided as the court neared the end of its 1983-84 term, the court ruled 5-3 that private citizens lack the legal standing to force the U.S. government into denying or rescinding tax breaks to racially discriminatory private schools.

## U.S. Foresees Easing of Ties By Honduras

Military Cooperation Is Causing Uneasiness

By Philip Taubman  
New York Times Service

WASHINGTON — The Reagan administration is concerned that recent political and military developments in Honduras may signal an impending deterioration in that country's relations with the United States, senior administration officials said.

A long-term erosion in relations, the officials said on Monday, could force the United States to reassess its dependence on Honduras as a key partner in Central America. The use of Honduras as a site for large military exercises has been a key element in administration policy in the region.

The officials said that Honduran civilian and military leaders appeared to be signaling a desire to pull back from a close military relationship with the United States.

The commander of the Honduran armed forces, Brigadier General Walter López Reyes, said in Honduras on Monday that he was concerned about the security threat that might result from recent congressional action to cut off American aid to Nicaraguan rebels who have used Honduras as a training and staging area.

Reagan administration officials said that General López was also becoming anxious about providing the rebels with a sanctuary and military assistance while they actively sought to overthrow the Nicaraguan government. The officials, however, denied new reports that Honduras had ordered the insurgents to leave the country.

Since taking command of the armed forces earlier this year, General López has directly and indirectly notified the United States that he favored a less active military relationship with Washington.

Specifically, according to U.S. officials, General López has asked the Defense Department to scale down plans for American military exercises in Honduras.

As a result, the officials said, the Defense Department is said to be rethinking its plans for exercises in Honduras. In recent weeks, the number of U.S. service personnel in Honduras has dropped to around 700, the lowest number since last August.

Administration officials said that a reduction in U.S. military activities in Honduras coincided with a desire among President Reagan's campaign advisers that military actions in Central America not become an election issue.

## After Visit to West Europe, Duarte Is Seen Gaining Credibility There

By Joseph Fitchett  
International Herald Tribune

LISBON — José Napoleón Duarte, the president of El Salvador, is gaining credibility in Western Europe, even among leftists who once dismissed him as a U.S. puppet.

Mr. Duarte's growing stature was evident at a meeting on Central America last weekend in Lisbon. The meeting, called by Mário Soares, Portugal's prime minister, was attended by representatives from Latin American, Europe and the United States.

Mr. Duarte, to test support for his policies, plans to visit Western Europe this summer, according to Salvadoran and West German sources at the meeting. The trip has not been announced publicly but is expected to start in West Germany on July 18, the sources said.

The interest in Mr. Duarte among European leftists apparently has the backing of Salvadoran guerrillas, who hope he may eventually be persuaded to negotiate with his opposition, a Central American specialist said.

Guillermo Ungo, a Salvadoran opposition leader, pointedly refrained from attacking Mr. Duarte at the Lisbon meeting.

Mr. Ungo, who leads the Salvadoran guerrillas' political arm and

has close ties with European Socialists, said in an interview: "I do not consider Mr. Duarte a puppet of anyone. Not of the army, not of Mr. Reagan."

The purpose of the three-day Lisbon meeting was to promote a dialogue among opposing factions in Central America. But the primary focus of the discussions was El Salvador because of the recent change in government there.

Politicians and trade union officials attending the session included Prime Minister Felipe González of Spain and Lane Kirkland, head of the American Federation of Labor-Congress of Industrial Organizations, the huge U.S. labor union. Also present were aides representing the Socialist leaders Willy Brandt of West Germany, Prime Minister Olof Palme of Sweden and President François Mitterrand of France.

Mr. Ungo accused Mr. Duarte of stalling on talks for a cease-fire. "This is his strongest moment," he said. "When the administration still needs him to help sell their programs in Congress and when the Salvadoran Army still needs him to get them their guns." And yet, Mr. Ungo said, he was optimistic that Mr. Duarte and his opponents could find their way to the negotiating table.

Mr. Duarte has said he will not

consider negotiations until he has established political stability.

During his coming trip, sources said, Mr. Duarte hopes to persuade Western European governments to reduce their support for the guerrillas. Mr. Ungo, however, predicted he would get "more advice and pressure than support."

According to reports from Washington, hints of possible negotiations between opponents in El Salvador have helped to raise hopes in the U.S. Congress for a new peace initiative in Central America.

In Europe, the Lisbon meeting marked a new level of interest in Mr. Duarte and his potential for sponsoring such an initiative.

The European reassessment began in earnest last month. Mr. Brandt, representing Socialist International, the worldwide association that coordinates foreign policies of Socialist parties, met in Rome with a representative of Europe's Christian Democratic parties and a spokesman for Europe's Liberal parties to assess the election results in El Salvador. They agreed that the election, while flawed, produced a democratically elected leader in Mr. Duarte.

Mr. Duarte's trip in July will further test European sentiments. In West Germany, where he will be the guest of Chancellor Helmut Kohl, Mr. Duarte will also talk



José Napoleón Duarte

with a senior official of the opposition Social Democrats, who have been highly critical both of Mr. Duarte and of U.S. policies in El Salvador.

"We will see what he has to say, and if he needs international help to start a dialogue, perhaps we can supply part of it," an aide to Mr. Brandt said in Lisbon.

## Sandinist Hardball Politics: Covering All the Bases

By Edward Cody  
Washington Post Service

MANAGUA — For those who fear the Nicaraguan revolution could spread across the Americas, there is a new worry — a nine-man team specially trained by the Sandinista leadership to battle the Yankees right on U.S. territory.

Armed with bats and gloves, the team heads for Los Angeles this month to participate in the Olympic exhibition baseball competition, ignoring a Soviet-organized boycott being observed by Cuba and some of the other countries allied with the Kremlin.

Carlos Carrion, a Sandinista youth leader, explained that Nicaragua's decision to go to the Olympics "is not only a sporting aspiration for the country, but also a political aspiration, a moral aspiration," a chance to enhance the Sandinista position "from the political and moral point of view."

But sitting in the stands with a true fan, Alberto González, 15, as Nicaragua took on a touring Cuban team, some other motives begin to emerge. Village children start to play in

Nicaragua with sticks and makeshift balls. They graduate to Little League teams in school and, if good enough, rise to one of 10 state-sponsored teams in the country's big leagues.

Alberto, commenting on all this, explained that the real Olympic challenge facing Nicaragua in any case comes from Japan, with South Korea second and the Yankee menace not so formidable.

Nicaragua has landed in a group including Japan, Canada and South Korea for elimination matches, he said, while the United States faces the less powerful teams of the Dominican Republic, Taiwan and Italy.

For Alberto, a Little League outfielder, this is the luck of the draw. But to Julio Sanchez, the Nicaragua Olympic team's 28-year-old first baseman, as to many other Nicaraguans, the Americans must have put in a fix.

"I particularly believe there was no drawing," he told the official Sandinista newspaper, *Barricada*. "Speaking of this tournament, it is necessary to say first that the gringos put themselves in the soft group and sent us to the strong group."

Whatever the political overtones might be in the pairings, Alberto's young eyes shone when Mr. Sanchez stepped up to the plate against the highly regarded Cuban team during an exhibition game in Managua.

"That's Julio Sanchez," he shouted. "He is a real hitter, among the best."

The Cubans, polished athletes uniformed in deep red, have proved too strong for Nicaragua by far during the exhibition tournament. In the three-way series that also included Panama, the Nicaraguan team won only one game, and that against Panama.

Cuba is considered the best national team in the world and would have been the likely victor in Los Angeles if the boycott order had not come down. But Julio Espinoza, a relief pitcher for the Nicaraguans, is happy with the Cuban decision because it works to Nicaragua's advantage.

Mr. Espinoza, at 41 the team's oldest player, started out with homemade balls in the dusty roads around his house. He was part of the team that beat the United States in the Pan American games

last year in Venezuela, gaining a silver medal and a joyous airport welcome home that was attended by three of the nine members of the ruling Sandinista directorate.

Can the Nicaraguans do it again? "I have already played against them," he smiled, referring to the Americans. "I am not afraid of them."

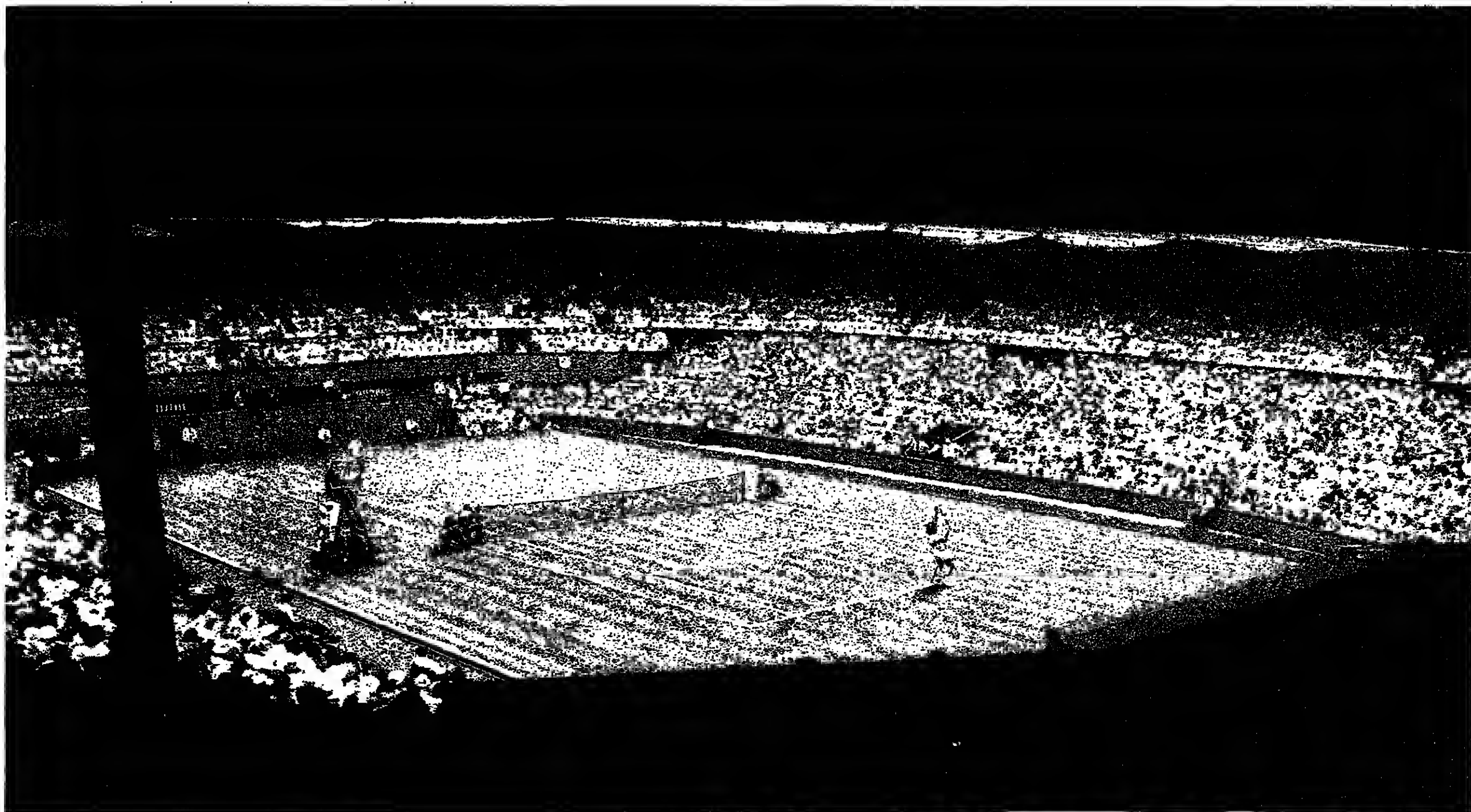
Coach Noel Areas, with a long career in Nicaraguan baseball, is taking no chances. A psychologist has been giving scientific pep talks to the team, Mr. Espinoza reports.

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## General Salan Is Dead; ed Campaign by OAS o Overthrow De Gaulle

**Reuters**  
PARIS — General Raoul Salan, the former French military leader in Indochina and Algeria, who went to prison in 1962 for plotting to overthrow President Charles de Gaulle, died Tuesday in his hospital less than two years after his rehabilitation by the government.

General Salan was being treated in undisclosed illness, a spokesman said.

He was sentenced to life imprisonment for directing a plot from 1958 to assassinate De Gaulle and overthrow the French government. He was also found guilty of leading the Secret Army Organization (OAS), the terrorist group that tried to keep Algeria French.

De Gaulle pardoned General Salan in 1968, and he was released from prison. He was France's most decorated officer, and the other plotters were sentenced to prison terms ranging from 10 to 20 years.

After the collapse of the putsch, General Salan went underground. His voice was frequently heard on OAS pirate radio broadcasts in Algeria. He also directed OAS operations from his secret headquarters.

During this period, the OAS led several attempts on De Gaulle's life. The most spectacular was the ambush in the Paris suburb of Petit Clamart in August 1962 in his car was sprayed with sub-machine-gun fire. Neither De Gaulle nor his wife was hurt.

The attack was organized by an OAS lieutenant colonel, Marie Bastien-Thiry, who was sentenced by firing squad. The incident forms the starting point for Patrick Forsyth's highly successful novel "The Day of the Jackal," which was later made into a film, with a man hired to assassinate De Gaulle.

**The Associated Press**  
ATHENS — About 1,800 Greek employees at U.S. military installations throughout the country began a one-day strike Tuesday to protest an alleged American refusal to comply with Greek labor laws. The strike requires a cut in the workweek from 39 to 37.5 hours and pay rises tied to cost-of-living indexes.



General Raoul Salan

## Lisbon Likely to Soften Tough Bill on Security

**Reuters**  
LISBON — Accusations of fascism and memories of the secret police are likely to force Portugal's ruling Socialist Party to soften an internal security bill when debate in the parliament resumes Wednesday.

The bill contains provisions for searches without warrant, preventive detention, telephone and computer tapping, mail interception, the suspension of public meetings and sanctions against public servants who refuse to help police inquiries.

Its terms are expected to be toned down because of hostility inside and outside the Socialist Party. But both Prime Minister Mario

## Tehran Denies Differences On Gulf War

**Khomeini Reaffirms  
Refusal to Compromise**

**Reuters**  
TEHRAN — The official Iranian news agency has denied Western reports of differences among Iranian leaders on whether to continue the 45-month-old war with Iraq.

"Recent repeated reports of discord among Iranian leaders on the issue of the war are nothing but illusions," it said Monday.

The agency's commentary followed a speech on Sunday by the revolutionary leader, Ayatollah Ruhollah Khomeini, in which he attacked those who criticized Iran for not making peace with Iraq. He did not say whom he had in mind.

Ayatollah Khomeini told a gathering at the end of the monthlong Moslem fast of Ramadan: "Those who urge us to compromise are either ignorant or sold out."

The Iranian news agency said that Western reports that an expected new Iranian ground offensive was postponed because of differences on whether to halt or continue the war were baseless.

The reports circulated, it said, after an offensive predicted for Ramadan failed to materialize.

The English-language newspaper Kayhan International also denied Tuesday that there were differences among Iran's leaders.

It said hundreds of thousands of men had been gathered for the past few months ready to advance to the war fronts, but it was the religious duty of the political leaders to avoid bloodshed if possible.

"While Iran must keep its forces equipped and ready to act at any moment, we must not forget to warn the enemy and its supporters of the consequences of their irresponsible acts," Kayhan said.

**2d Ship Was Hit in Attack**  
It has been confirmed that a second merchant ship was hit in a weekend Iraqi attack on a convoy in the northern Gulf, Reuters reported from Bahrain on Tuesday.

In Athens, the Merchant Marine Ministry said two Filipino sailors died and four were injured when the 13,316-ton bulk carrier Alexandra Dyo was hit.

The South Korean Foreign Ministry said Monday that Iraqi missiles had hit the 6,163-ton freighter Woonjin as it was bound for the Iranian port of Bandar Khomeini, wounding four.

## Pentagon Thinks Soviet May Deploy New Missiles

**The Associated Press**  
WASHINGTON — Western intelligence will watch Soviet-led Warsaw Pact field maneuvers in East Germany for signs that the Russians may use them as cover for advancing a new generation of battlefield missiles close to the West German border, Pentagon sources said.

The drills are the biggest in five years, with about 60,000 troops engaged in mock warfare, they said. At least 14 of the 19 Soviet Army divisions stationed in East Germany have been provided with the advanced SS-21 missile, intelligence specialists say.

The SS-21, with a range of about 75 miles (120 kilometers), has nearly twice the reach of the old FROG missiles that they are said to be replacing. It can fire either nuclear or conventional warheads.

Officials said the maneuvers, announced last week by the Soviet Union, will bring Warsaw Pact war games closer than usual to the East-West border.

The Soviet Union is modernizing a variety of shorter-range missiles stationed in Eastern Europe. While Moscow has pictured this modernization as a reaction to the deployment of new U.S. missiles in Western Europe, Pentagon officials have contended that plans for the upgrading of Soviet missile forces have been in progress for years.

According to U.S. and North Atlantic Treaty Organization intelligence assessments, the troops involved in the maneuvers include sizable forces from Czechoslovakia, Poland and East Germany as well as Soviet divisions.

## Costa Rican Says Visit Was Success

**Reuters**  
SAN JOSE, Costa Rica — President Luis Alberto Monge says his 12-nation tour of Western Europe was a success, gaining about \$155 million in aid for his country and helping to put Central America on the European political agenda.

Mr. Monge said one of his main achievements was to set up a meeting here in September between foreign ministers of the European Community, Spain and Portugal, and representatives of the five Central American countries.

"For the first time in history our democracy has managed to awaken in Western Europeans a genuine interest in our country and our region," Mr. Monge said.

## Population Rate Drops in China

**The Associated Press**  
BEIJING — Government efforts to limit families to one child resulted in a continued slowdown in China's population growth last year, with the rate of growth slower than had been anticipated, an official said Tuesday.

He said that China's growth rate last year was 11.54 per thousand, down from 14.49 in 1982. The rate forecast by the authorities was 13 per thousand. China has set a growth target of 10 per thousand for the rest of the century to prevent its population of 1,008 billion from surpassing 1.2 billion.

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# INTERNATIONAL Herald Tribune

Published With The New York Times and The Washington Post

## Russia Should Reconsider

How deliciously Jimmy Carter and Ronald Reagan have combined to confound the Kremlin. President Carter spent three years pursuing détente with the Soviet Union, the invasion of Afghanistan caused him to disrupt all contacts. President Reagan, having virtually frozen relations during his first three years, is using his re-election campaign to plead for a resumption of cultural exchanges and other civilities.

Mr. Reagan, of all people, understands that exchanging ballet dancers with the Soviet Union will not soon make the world a safer place. He tried, and failed, to simulate arms control negotiations with a hard line. Now he is eager to demonstrate a desire for more communication with the Russians — just as eager as Mr. Carter was to prove that his soft line did not blind him to their misconduct.

The Russians might be forgiven if they dismiss these quadrennial turnabouts as pandering to American voters. But they, too, less than America's leaders, should feel instructed by that public. Americans obviously want a mature relationship that advances common interests and understanding without condoning Soviet repression or aggression. If such a relationship is the belated object of Mr. Reagan's policy, it will outlive his current political motives. Just as Mr. Carter began the military buildup that his successor carried through, Mr. Reagan has pointed a diplomatic path that his or a Democratic successor can travel over year.

In word, at least, Mr. Reagan now has it right: Americans and Russians need a whole range of cultural, scientific and diplomatic

relations in which to throw their peoples together. When either government feels really threatened, these contacts can be disrupted to register alarm — a useful sanction "short of military threats," as Mr. Reagan has put it.

In deed, however, both the Reagan and the Chernomko administrations stand far from any businesslike relationship. Over three years Mr. Reagan not only renounced a completed arms pact but also threatened an arms race to spend the Russians into collapse. He led them to believe he would negotiate only after he had regained a sense of strategic "superiority."

That was the context that gave his gratuitous insults such an ominous ring. His approach to the Soviet government compromised his own appeals for arms control. It is bound to make the ever-insecure Russians think that responding even to the current Reagan invitations could be mistaken for weakness.

But the Russians have to overcome frustrations of their own making. Their excessive missile deployments in Europe brought an unwanted NATO response, driving them to frantic, futile threats. Now they are left growing against America and also West Germany and China, as if they want only to sink in isolation. If anyone in Moscow has a more sophisticated policy, it has yet to be defined. The tragedy of using up so much time to sort out matters and issues is that weapons technology is racing far ahead of ideas for controlling it, especially in outer space. In the nuclear era, four years between summit meetings, or between balais, is an eternity.

—THE NEW YORK TIMES

## The Convention Unfolds

The Democratic national convention has already begun. No one has wielded a gavel in San Francisco yet; only the advance parties of politicians and media persons have checked out the passageways of the Moscone Center or the Hilton (headquarters) or Meridian (Mondale) hotels as yet. But the action has begun.

Once upon a time, delegates and a few fedora-clad reporters would alight from trains the Sunday before proceedings began, eager to learn who the political boss of Pennsylvania favored and whether the one delegate who was determining the unit-rule outcome of Mississippi was holding fast. Now the action is all around us. Political strategists are buzzing over telephone wires (or fiber optic cables or whatever they are); conventions of issues activists meet in Miami Beach or Chicago; potential vice presidential nominees journey to North Oaks, Minnesota; platform, credentials and rules committees hold meetings in Washington. All of which is duly recorded in newspapers and broadcast on television.

Conventions were originally held because getting party leaders together in one hall was the only way to enable them to communicate. Now political actors communicate so much that their inevitable complaint is that their would-be audience isn't listening.

It is in this context that one ought to consider the threat by the National Organization for Women of a floor fight for a female vice presidential candidate if Walter Mondale re-

commends the nomination of a man. This, in slow motion, is the same kind of rebellion that occurs, much more quickly, on the convention floor. Most such rebellions are squashed. But, until the convention officially acts, revolts such as this send shivers up lots of spines. A Democratic convention that did not have any such rebellions would be, well, un-Democratic.

The revolts that Mr. Mondale is going to be facing in the next 16 days — 12 days before San Francisco and four days there — are going to come from one quarter of the political compass. The early defeats of John Glenn and Reubin Askew left the battle in the primaries and caucuses to three candidates who, on almost all noneconomic and many economic issues, stand toward the left of their party. The large potential constituencies for candidates more tradition-minded on cultural issues either voted for them or, to judge from turnout figures, in many cases just didn't vote, and so are only sparsely represented in this year's convention. Those who see themselves as trend-setters are there in force.

There is a danger that the conventioners, in their euphoria, will forget, as their counterparts did in 1972, that they are not precisely representative of the constituency Mr. Mondale needs to win, and will not understand that the notions that evoke great enthusiasm in their electronic hall do not always get the same response from the electorate as a whole.

—THE WASHINGTON POST

## Other Opinion

### Better Than No Dialogue at All

In recent weeks there have been numerous overtures, mostly originating from Washington, to reopen some sort of dialogue between the United States and the Soviet Union. It is rather discouraging to note that both superpowers turn out to be engaged more in rhetoric than in earnest search for a breakthrough. But then, we wish to harbor a hope, however dim, that the frequent wavings of the olive branch will result in reopening a channel of meaningful communication between the two superpowers to forestall, at the least, a further deterioration of bilateral ties and of the precarious international situation as well. After all, a decent dialogue in any form is better than no dialogue at all.

—The Korea Times (Seoul).

### If Not Piracy, a Piratical Act

Israel's seizure last Friday of a passenger ferry plying between Larnaca and Beirut hardly raised an eyebrow, although the boat was detained for the best part of 24 hours and then had to leave without nine of its passengers, five of whom were kept in custody until Monday, while the remaining four were still detained. Technically, it seems this was not an act of piracy, defined as an act committed "for private ends" by a "private" ship or aircraft. But that is very much a lawyer's point.

A piratical act is hardly better for being

committed by the armed forces of a state, outside that state's jurisdiction. Israel does not strengthen her case by resorting to acts of force against civilian shipping — in this instance, almost the only remaining lifeline between the luckless inhabitants of West Beirut and the outside world. A passenger ferry should be able to ply its lawful business on the high seas without being subject to arbitrary arrest by a naval power that has no jurisdiction over it.

—The Times (London).

### Two Decades Beyond Jim Crow

Congress passed a law 20 years ago extending to black Americans the right to secure a room in a public hotel or eat a meal in a public restaurant. The Civil Rights Act of 1964 marked the beginning of the end of an era of "Jim Crow" laws that mandated a rigid separation of races in many towns and many states. It was landmark legislation in a nation that allowed separate drinking fountains, separate bathrooms, separate elevators, separate waiting rooms, separate entrances and exits in buildings, separate schools and separate cemeteries to keep the races apart.

There are still serious inequities between the majority of blacks and the majority of whites in [the United States]. One need only look at the black unemployment rate, which is consistently twice the rate for whites. But the modest steps of the 1950s and 1960s laid the foundation on which any future progress will grow.

—The Baltimore Sun.

## With This July 4, a Patriotic Renaissance?

By Philip Geyelin

WASHINGTON — A case can be made — and certainly will be on this Glorious Fourth — that flag waving is back in style, that America, in Ronald Reagan's ringing phrase, is "back and standing tall."

And nobody would want to put a damper on Independence Day. But surely a celebration of dedication to freedom at home and abroad requires, along with the fireworks and flag waving, some serious contemplation of the question: Back to what? My hunch is that this is what the fall campaign, in a fundamental way, will be all about: a careful sifting and weighing of the Reagan administration's claim to have brought off a patriotic renaissance.

The president would have us believe we are picking up where we left off feeling good about America's role in the world, after a decade of self-doubt and a collapse of confidence in government institutions. America's military defense has been restored; it is no longer too weak to bend on nuclear arms control, any time the Soviets want to bend. Not one inch of territory has been surrendered to communism on Mr. Reagan's watch — no more Afghanistan, Ethiopia, South Yemen or Angola. And no more hostages in Iran.

But turn the question around and ask what it was that America had to

come back from. Begin in 1963, with the assassination of John F. Kennedy, or in 1964 and 1965 with the United States wading deep into the Vietnam swamp. Then there were the beginnings of anti-war protest and civil rights demonstrations; the assassinations of Robert Kennedy and Martin Luther King; the riots in the cities and the growing anti-war crusade; the first resignation of an American president, in disgrace in 1974; the final snuffing out in 1975 of America's first lost war.

Not even on the Fourth of July can we lay claim to having emerged unmarked by the decade of national scandal that followed. The first whiff of scandal becomes a "gate," as in "Debategate." Ronald Reagan may be an exception, but the rule remains that public figures are to be disbelieved until conclusively proved believable.

In the immediate aftermath of the Vietnam War, the military had to lower standards to fill recruiting quotas. And a War Powers Act in 1973 put a serious crimp on the president's freedom to apply military force in pursuit of diplomatic purposes.

But patriotism — "love and loyalty or zealous support of one's country," by Webster's definition — must be back, because volunteers are flocking

to enlist, in full knowledge that not just the learning of a craft but actual combat is a distinct possibility. Look at Lebanon, and Grenada.

True, but another way of reading it is that there are not all that many Grenadas to crush. And the congressional interventions in the conduct of policy in Lebanon and Central America are not what you would call a show of "standing tall."

If a measure of patriotism is a zest for public service, you have to wonder why members of the U.S. Congress are retiring prematurely in unusual numbers. I certainly wondered, as well, about an impression I got from a recent seminar for family members from a dozen small liberal arts colleges. Within at least this small slice of American academia, careers in politics or public service have alarmingly little appeal.

It was an Aspen Institute seminar on "Citizenship and the American

Polity" — just right for the Fourth of July. The "readings" included the Declaration of Independence, the Federalist papers, John Stewart Mill, John Locke, Thomas Hobbes and Abraham Lincoln. The readers were scholars, to be sure; the emphasis was on intellectual analysis. But when efforts were made to relate the roots of

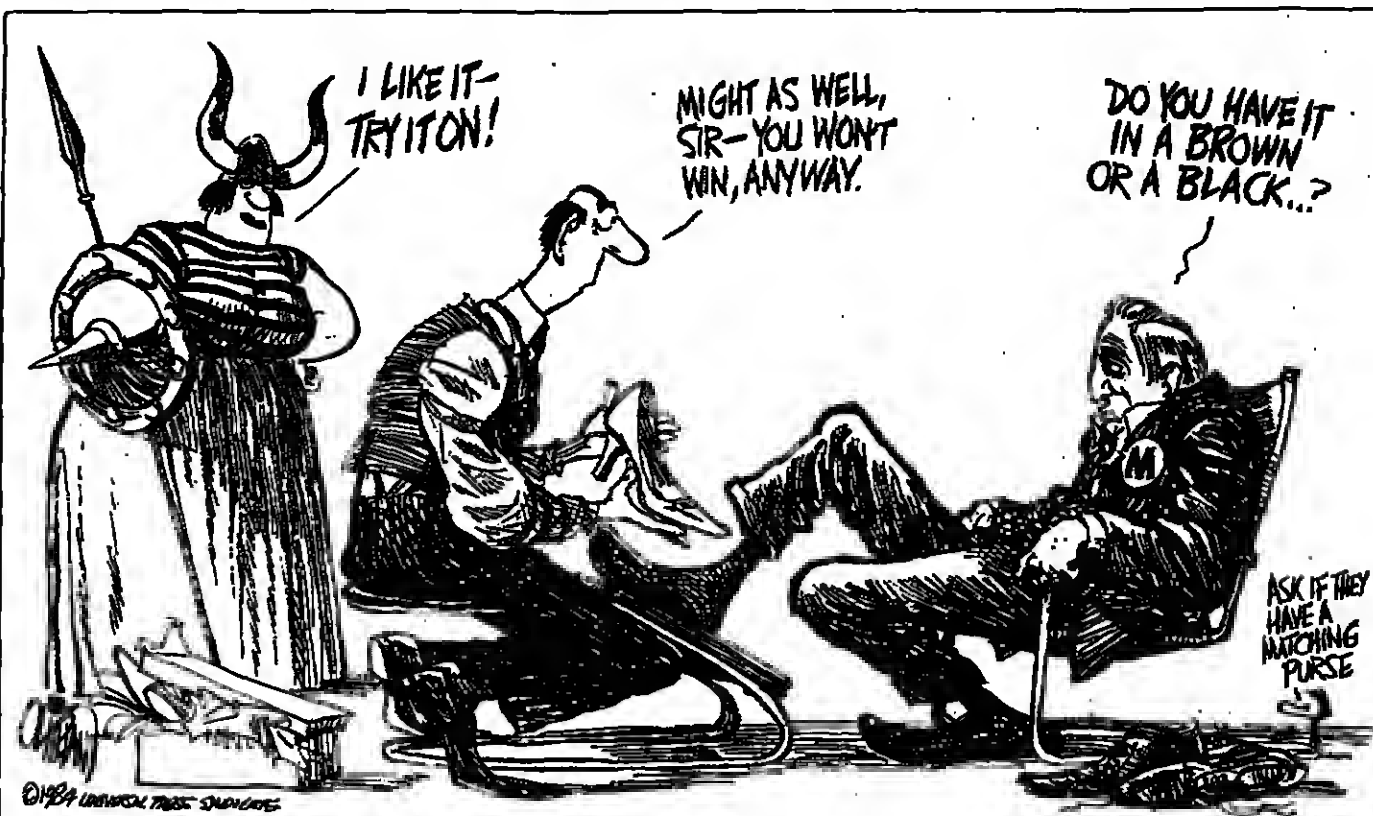
democracy and its first principles to the conduct of current affairs, what one sensed was not inspiration but disillusionment, even despair.

Too much can be made of too little in these matters. Thus I am not as struck as some commentators seem to have been by the crowds that flocked to cheer the Olympic flame as it was carried across the country, to the sound of singing of the national anthem. A Montana woman told The New York Times that "it brought us together" — an echo, noted by Michael Barone of The Washington Post, of a little girl's appeal to Richard Nixon in the 1968 campaign.

But 1968 was not a banner year. When crowds turn out to cheer the Olympic torch in 1984, it seems to me we are as likely to be witnessing not so much a swelling of patriotic pride as a need to find something, almost anything, to cheer about.

Actually there is a lot when you look back over more than 200 years of trial and triumph in defense of freedom at home and abroad. But when, in a narrower frame, you consider all that America has had to come back from in two decades, the question remains: What is America back to? By my measure, whatever it is, it is still well short of a sure sense of America's role in the world.

Washington Post Writers Group.



## Walter Mondale Is Digging Himself Into a Hole

By David S. Broder

WASHINGTON — In a Gallup Poll taken June 6-8, the first three days after Walter Mondale claimed to have the delegates to make him the Democratic presidential nominee, Mr. Mondale trailed President Reagan by nine points. In a Gallup Poll taken June 22-25, he had fallen 19 points behind Mr. Reagan.

There are probably many factors that have entered into this unusual nose dive that has disheartened the Democrats about their prospective standard-bearer. My suspicion is that one of the things crippling Mr. Mondale is the appearance of being preoccupied by the unending and increasing clamor from the constituencies of the left in the Democratic Party.

These folks seem determined to give Mr. Mondale no peace, but to hound him right up to the hour of his acceptance speech with their escalating list of non-negotiable demands. Meantime, the voices of moderation and conservatism in the party have fallen strangely silent, as if to suggest that they may be preparing to slip quietly away from the scene of an impending political disaster.

Does this seem an exaggerated judgment? Then consider just one measure of the gap between political reality and the priorities Mr. Mondale has been forced to adopt in order to appease the most vocal forces inside his party.

The latest Gallup Poll showed Mr. Mondale trailing Mr. Reagan by 30 points among male voters and by 29 points among whites. But of the seven people he interviewed for the vice presidency, only one was a white male. Mr. Mondale himself has been in eclipse during the four weeks since he claimed to have clinched the nomination. Meantime, the headlines have been captured by female activists asserting a claim to the vice presidency, by Jesse

Jackson voicing the view that he should pick the secretaries of state and defense, and by supporters of Gary Hart forcing Mr. Mondale to accept their blueprint for "democratizing" the 1988 convention and its delegate-selection rules.

Last Saturday Mr. Mondale went to the Miami Beach convention of the National Organization for Women (NOW), where he was the target of an emotional demonstration for the choice of a woman vice president. The most liberal of the women's organizations, NOW is a newcomer to electoral politics — but not overly modest about its role. Organized labor, which has been around much longer and which saved Mr. Mondale when he was on the ropes after New Hampshire and Maine, is smart enough to be reticent about its vice presidential favorites. No such inhibitions affect NOW. Said NOW's president, Judy Goldsmith, "We're going [to the Democratic convention] to get a woman on the ticket."

Fine. But there are three uncomfortable political realities. One is that Mr. Mondale needs help among men voters, not women. He trails Mr. Reagan by 30 points among men, and by only eight among women. Second, since the death of Connecticut's Governor Ella Grasso, who would have been a cinch for the number two spot, the Democrats have lacked an elected female official whose credentials obviously answer the question about her claim to be the best qualified person to stand a heartbeat away from the presidency. Even if these difficulties can be overlooked, NOW's tactics put Mr. Mondale at a disadvantage. If he now picks a woman, he will not get credit for the historic — and overdue — break-

through. Instead he will be seen as bowing to the demands of yet another liberal pressure group.

Is another example needed? Consider the coup that Hart and Jackson backers pulled last week at the convention rules committee, when they squeezed Mr. Mondale to accept a recommendation that the number of Democratic elected officials serving as pledged convention delegates be cut in half in 1988. This "reform" reverses one of the healthiest changes in the 1984 rules — one that ended the growing separation between the party's congressional, gubernatorial and mayoral leadership and its presidential nominee.

Some of the Hart and Jackson people were simply exclaiming vengeance on the politicians whose support put Mr. Mondale over the top. Others are doctrinally committed to a concept of participatory democracy that argues against giving weight to the credentials of proven party leaders. Mr. Mondale accepted this position, rather than have a televised brawl on the convention floor. But it goes against his interests as a candidate and as a potential president.

As a candidate, he desperately needs the assistance of those elected officials. When he shows up in their communities in September and October, they can kill his chances just by being busy elsewhere. If he becomes president, he will need their cooperation to pass his program. But the left wing of his party has forced him to accept a position — which he would surely repudiate as president — that he will reward those officeholders who help him by seeing that they are not delegates next time. That is political folly.

By swallowing that kind of absurdity, instead of resisting it, Mr. Mondale is driving himself down and down in the polls.

The Washington Post.

## As West Germans See It, America Is Drifting Away

By Wolfgang Wagner

HANNOVER, West Germany —

Within the past couple of years, the United States has shown doubts about whether West Germany is a reliable partner. But now, matching that attitude, West Germans are becoming increasingly uneasy about their dependence on America.

The U.S. concern has stemmed largely from the rise of the anti-nuclear movement here, which has been vociferous in its criticism of U.S. foreign policy. There also seemed to be a feeling in Washington that West Germany was not sufficiently hostile to the Soviet Union and its satellites.

The growing mood here toward America does not reflect any specific grievance. It is based on the perception that Americans have gradually been shifting their focus away from Europe and toward Asia and Latin America, and may thus be losing interest in West Germany. This is seen as a major change from the days when President John Kennedy could dramatically confirm America's commitment to the defense of West Germany by proclaiming at the Berlin Wall, "Ich bin ein Berliner."

Nor do people here appear to feel as secure as they did during the decade following World War II when the protection of West Germany was a central component of U.S. strategy, as evidenced in such displays of solidarity as the Berlin airlift of 1948.

This is not to suggest that West Germans have abandoned their faith in the Atlantic Alliance. On the contrary, they are still confident that America will come to their aid in an emergency. Yet the sense of closeness

with America is slowly slipping away.

The phenomenon may derive from the fact that America's international affairs are no longer managed by its East Coast "establishment," the elites of Washington, New York and Boston, who had a special connection with Europe and an intimate knowledge of its problems. Now, as West Germans see it, U.S. foreign policy is run by Americans from the Sun Belt, who have priorities other than Europe. It is often noted here, for example, that America's economic locus has moved to Pacific and Southwestern states like California and Texas.

A West German professor, recently a guest lecturer in Los Angeles, returned to relate that when Chancellor Helmut Kohl visited California, his presence was briefly reported on page 12 of the Los Angeles Times.

Stories of that sort circulate here and lead to larger questions, such as whether America is preoccupied enough with the future of Western Europe to continue to deploy its forces in West Germany until the end of the century and beyond.

West Germans, constantly looking for answers for these and similar questions, have been carefully watching the U.S. primary elections, in assessing the Democratic candidates, many former Vice President Walter Mondale because of his apparent orientation toward Europe.

If America's long-range military plans are a matter of doubt, so is its economic outlook, which also seems to be changing as U.S. corporations,

banks and other enterprises increasingly concentrate on Asia.

The American balance of trade is overwhelmingly tilted in the direction of Asia, and talk of further growth in that trade tends to instill in West Germans the sentiment that the United States is leaving them behind.

It is hoped that, with West Germany and France in the forefront, Europe can make strides in high technology and improve its position to compete with America and Japan. But, with the economic recovery slow, that prospect may be remote.

There was a time when West Ger-

man political figures could travel to Washington with any degree of confidence that their opinions would be listened to. Now, although they still like to create that impression, it is mostly an illusion.

Americans may not have become isolationist, but the perception in West Germany is that Western Europe is distant in their eyes, and that this development does not bode well for either side of the Atlantic.

The writer is editor of the Hannoverische Allgemeine Zeitung. This comment was written for International Writers Service and distributed by United Press International.

## LETTER TO THE EDITOR

### Debt: The Brandt Report

The recent round of articles on the international debt crisis — Anthony Lewis on June 26, Henry Kissinger and a New York Times editorial on June 25, and others — is no surprise to anyone who paid some attention to the first Brandt report published in February 1980. The report stated:

"Over the last few years, economic activity in the industrialized countries has been sustained by a major recycling of financial surpluses through the commercial banks particularly to middle-income developing countries; this has helped to prevent further unemployment, underutilization of capacity and even inflation. The result of increased borrowing in the 1970s has been a rapid

growth of the indebtedness of developing countries. Unless all-important [developing] countries are to check their imports and growth in the 1980s, it is clear that their debts will have to increase further. Between 1980 and 1985 as much as \$300-500 billion may have to be added to developing countries' debts if their financial needs are to be met — provided the funds can be found."

The report concluded that the world had to deal with several crises, including that "posed by constraints on world trade and on the growth of export earnings to meet increased debt servicing commitments."

The 1980 report recommended "that the various international institutions begin immediately to study and articulate the range of likely

## America's World Role After 1984

This is the first of two articles.

By Stanley Hoffmann

PARIS — Foreign policy has not been Ronald Reagan's first-term priority. In a second term, he may want to give America's role in the world the priority it has lacked. He would have a choice between two policies: one moderate, one radical. On his choice would depend the future of international relations.

The Reagan administration's ideological notions about the world have been carried out only insofar as they have not clashed with Mr. Reagan's domestic objectives — and with his overriding concern about re-election. A policy intended as a return to will and power has been notable for postponement, prudence and frustration. Today it is in a state of suspension.

The administration came to office with an exceptionally coherent ideology: America was no longer going to be pushed around; the Soviet Union, responsible for most of the world's troubles, would be put on the defensive; the buildup and display of U.S. might would prevent forces from testing it and incite allies to follow it.

But from the outset, ideological and rhetorical coherence did not prevent fierce battles over personal influence, rather than policy, in the administration, and no smooth decision-making process ever emerged. Moreover, the Reagan view of the world conflicted with many realities, and painful adjustments had to be made. The need to prevent further rifts in America's main alliances obliged the administration to resume arms control negotiations despite its distaste for them, and to resign itself to allies' economic deals with the Soviet Union. A concern for realism led the president to China, despite his earlier stand in favor of Taiwan.

When ideology and reality conflict, leaders may try to change reality to make it fit ideology. This is where the contradiction between Mr. Reagan's foreign policy and domestic notions became apparent. His view of the world — a struggle between good and evil that could be led only by America — requires a powerful America. His domestic philosophy calls for dismantling the state and emancipating the individual from state burdens, including high taxes. Mr. Reagan also wants a second term. How could these impulses be reconciled?

Ideology prevailed in one important respect: A massive rearmament has taken place, and, paradoxically, rather than supply-side economics it is the very scope of public demand in the form of military procurement that has been largely responsible for economic recovery, through the Keynesian mechanism of a huge budget deficit. Thus was the contradiction overcome. But in almost every other respect, when such a reconciliation was not possible priority was given to domestic concerns.

Despite Mr. Reagan's hostility to such assistance, emergency measures, however insufficient, were taken to bail out developing countries incapable of paying back their debts, in order to save the American banking system. Toughness toward the Soviet Union did not prevent lifting of the embargo on grain sales.

Above all, whenever adversaries seemed to want to test America's will, the administration showed extreme restraint in the use of armed force because of continuing domestic opposition to new involvements in distant and protracted wars. The exception was the easy expedition in Grenada. In Lebanon, the Gulf region and even Central America, the contradiction between brave words and limited deeds has been striking.

The results are mixed. Most successful has been the public-relations management of foreign policy. Repeatedly, the administration has made the gestures that its allies, friendly critics and domestic opinion demanded. Secretary of State George Shultz went to Managua. The president, since January, has over more insistently referred the Russians dialogue. When necessary, he has made just enough verbal concessions or promises to obtain from a reluctant Congress the bulk of the arms he wanted. By hyperbolic appeals to the public, he has got Congress to endorse most of his Central American policies, and he has defused opposition by withdrawing from Lebanon.

Other successes have come about through luck — an important asset for a statesman, but one that is not guaranteed to last. Moscow has behaved cautiously. President Reagan claimed credit for this, but Soviet prudence probably results mainly from internal difficulties. In addition, Soviet clumsiness helped defeat the anti-nuclear forces that struggled against the deployment of American missiles in Western Europe.

On the whole, Reagan diplomacy has very little to boast about. The writer is chairman of the Center for European Studies at Harvard University. He contributed this comment to The New York Times.

GERHARD G. THIERACK, Executive Coordinator, Independent Commission on International Development Issues, Geneva.

## FROM OUR JULY 4 PAGES, 75 AND 50 YEARS AGO

**1909: Battleship Launched at Trieste**  
TRIESTE, Austria-Hungary — The Austro-Hungarian battleship *Radezky* was launched (on July 3) from the navy yard. Archduke Franz Ferdinand was present with Princess Sophie von Hohenberg, who performed the naming ceremony, breaking the traditional bottle of champagne against the vessel's stem. The chiefs of the navy were also present, and the summer squadron came around. The new monster was welcomed with salutes on taking the water. The *Radezky* will register 14,457 tons, length 411 feet, beam 72 feet. Her armament will consist of four 12-inch guns, eight 9.4-inch, twenty 3.9-inch quick-firers, and eight smaller weapons. She will have three torpedo tubes and her crew will number 816.

**1934: Baptists Spurn Prayer for Rain**  
FORT WORTH, Texas — To the accompaniment of a chorus of protests, the effect of which was that the country was getting what it deserved, the Tarrant County Baptist Ministers' Association, in session here (on July 3), voted down a resolution to pray for rain much needed in this section. The air was full of shouts from the ministers. "This sinful nation is getting no more than it deserves," said one. Another got the floor to declare: "I think the Lord knows what He is doing." "The biggest gambling mania in history is sweeping the land," was another's comment. A fourth maintained that "I have all the confidence in the world in the Lord, but maybe he plans to humble this old nation. It deserves it."

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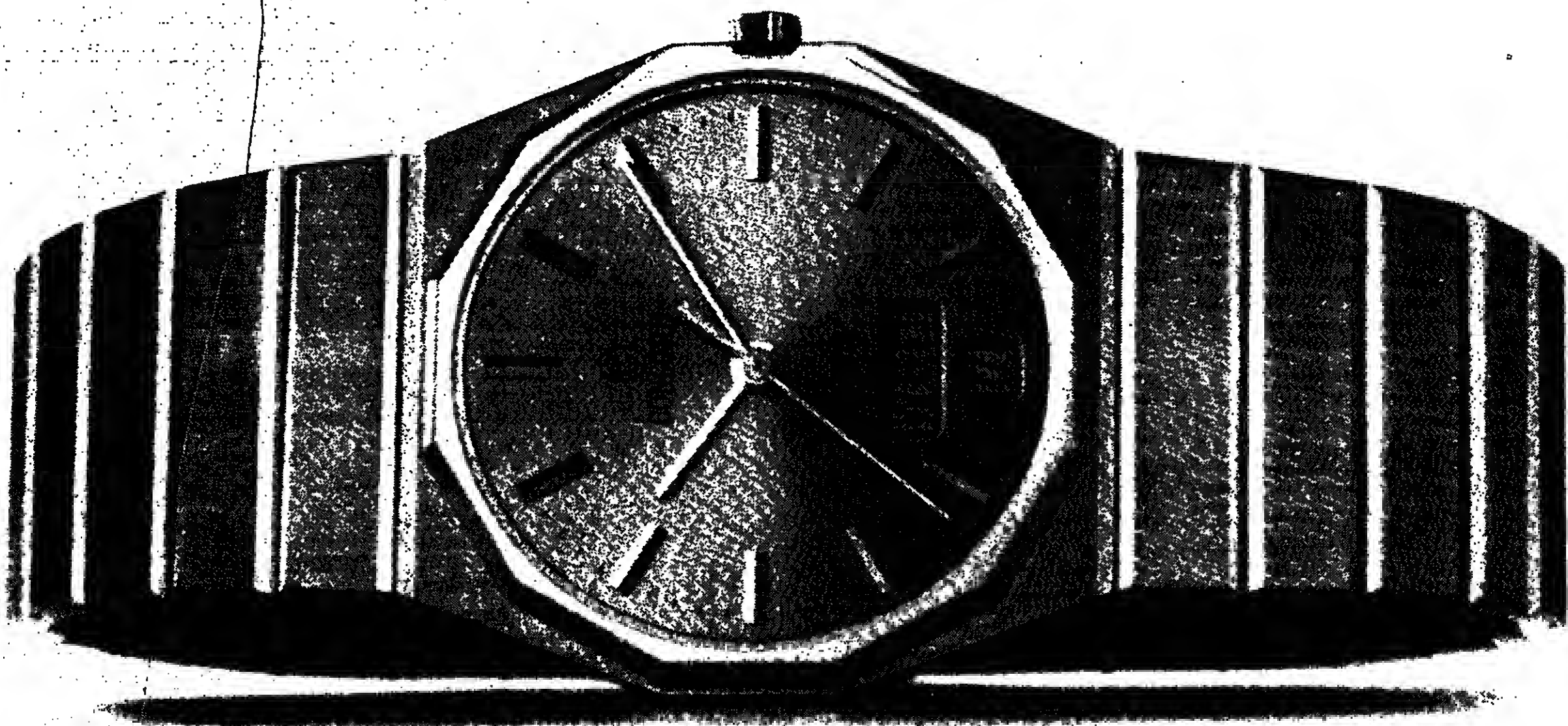




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## INSIGHTS

## A Polish Official's Pride in Provocation

Jerzy Urban Assails the Western Press, but Keeps It Fairly Well Informed

By Bradley Graham

Washington Post Service

WARSAW — Every Tuesday at noon, foreign and Polish correspondents gather for a press conference presided over by one of the most disparaged, talented, closely read and controversial personalities in Poland, Jerzy Urban.

As the spokesman for Eastern Europe's most troubled government, Mr. Urban has turned what used to be an invisible job into a platform of administrative influence and notoriety.

Through the weekly press conferences he innovated — nowhere else in Eastern Europe does a government official so regularly meet the press — he has advanced a policy that is both intensely abusive toward Western reporters and unusually informative for a Communist government.

Mr. Urban, 50, holds forth with reading glasses perched on his nose, bald head shining under television lights, and ears protruding as if about to give flight to his round face. Not a session passes in which he does not heap scorn on several Western news organizations for filing allegedly distorted reports about Poland.

In a recent meeting, Mr. Urban opened by attacking the British Broadcasting Corp. for suggesting that Poland's government intended to exaggerate local election results, accused The Associated Press of an anti-militarist bias in a story about a Warsaw police-brutality trial, and denied an Agence France-Presse dispatch saying that an attorney who defends political dissidents had been charged with malpractice by a Warsaw prosecutor.

"I suggest," said Mr. Urban, "that the AFP correspondent change his sources since those he has at present are completely unreliable."

SUCH verbal assaults have enhanced Mr. Urban's reputation, built up during a 30-year career as reporter and columnist, as a man who enjoys provoking others. Writing now under pseudonyms, Mr. Urban continues to lash out not just at the West but also at Polish personalities and institutions encompassing a wide spectrum of opinion.

His former colleagues at the Communist weekly *Polityka* have called him "an extremist of the pen" and "a journalistic kamikaze."

Given the government's proclaimed aim of achieving national reconciliation, many Western correspondents and diplomats here question the wisdom of its having a spokesman who antagonizes groups it would prefer to win over. But Mr. Urban is appreciated in government circles for confronting the press, for his articulation of government policy and for his cool, intelligent political analyses.

Defending his performance as a government official, Mr. Urban said in an interview that the

times demand a spokesman who is not afraid to go on the offensive.

His primary goal, though, seems less to generate approval and respect for the government than to raise doubts about the independence and objectivity of Western reporting on Poland.

Of his aggressive tactics, Mr. Urban said, "To a considerable degree this is meant to show Polish public opinion that the Western press is not as objective as they themselves like to think they are, that not always do they function according to official regulations and professional ethics, that their thematic interests are very narrow and directed in a systematic manner, that they distort selectively, choosing the information that corresponds to their propaganda line, and moreover, they change and hype things."

Mr. Urban is widely credited with providing Western correspondents and Poles with more significant news than any previous Polish government, except during the 1980-81 Solidarity period.

In response to queries from reporters, Mr. Urban has given detailed accounts of prison hunger strikes, the status of political prisoners and various police actions, although his versions have sometimes differed from those of witnesses or independent sources. On election day, June 17, Western reporters first heard about a street demonstration in the Krakow suburb of Nowa Huta from Mr. Urban.

The government paper publishes full transcripts of Mr. Urban's press conferences. From the questions put by foreign correspondents at those meetings, Poles can learn of many developments that in the past went unreported.

Moreover, the official press now regularly publicizes protest calls by the Solidarity underground, and it reports commentaries critical of the government that are broadcast by the U.S.-financed stations Radio Free Europe and Voice of America in an attempt to neutralize them, frequently by mocking them.

"He is the first spokesman to overcome official resistance and persuade the leadership that to be on the defensive is worse than being the first to disclose information," said a former associate of Mr. Urban.

Behind the scenes, Mr. Urban often prods ministries to take action or to elaborate on a policy in anticipation of a press conference. "I'm an instrument exerting pressure on other parts of the government," he said.

Mr. Urban's past is not without official black marks. He was suspended twice from practicing journalism — from 1957 to 1960 after the paper he was writing for, *Po Prostu*, was disbanded for its liberal bent, and from 1962 to 1965 after an article he wrote about a Krakow doctor angered Wladyslaw Gomułka, then Poland's Communist Party leader.

Although he is the most quoted member of the government, Mr. Urban is not a member of the Communist Party. He tried to join the party four times but was repeatedly rejected, each time for a different reason: in 1949 for being too young; in 1952, first for being a poor university student and later for a drinking incident in which he sang Nazi songs in a public place, and in 1956 for his association with *Po Prostu*.

Mr. Urban says he no longer aspires to party membership.

He entered government gradually during the Solidarity period. He has never been enamored of the independent trade union, viewing it as racing too fast and failing to create the mechanisms and institutions that could have brought calm evolution toward democracy and consolidation of changes.

DURING Solidarity's first year, Mr. Urban wrote some analyses for Stanislaw Kania, who headed the party at the time, and took on additional government assignments with the support of his former *Polityka* editor, Mieczyslaw Rakowski, who was by then a deputy prime minister. Mr. Urban was named government spokesman in August 1981.

He continued his column for a while, but in 1983 he offended Poland's influential Roman Catholic Church when he imputed anti-Semitism to two publications edited before World War II by Maximilian Kolbe, the Polish priest who was canonized last year for volunteering to die in place of a fellow inmate at the Nazi concentration camp at Auschwitz.

From his earliest journalistic days, Mr. Urban has displayed fierce rationalism and iconoclasm. He enjoys arguing against popular views, sounding outrageous, rude and funny.

A critic in *Polityka* wrote last November: "He pays less attention to defending his own beliefs than to fighting his opponents' views, ranging from foreign right wing to domestic 'true leftists.' Above all, he strikes at a certain mode of thinking, one that renders as a conglomeration of political illusions and myths contrived with no heed to reality. Today, more often than not, his arguments knock people out rather than bring them around."

Mr. Urban is fond of drink and fine clothing, but his only real passion, he has said, is politics. He was born of Jewish parents, but Mr. Urban does not practice religion. He is an anomaly in Polish government ranks, which were purged of Jews in 1968.

Mr. Urban can be as gracious and pleasant in private as he is scornful and insulting in public or in print, and for all his badgering of the Western press — and the barbed questions tossed back at him by reporters — Mr. Urban admits to a certain tied affection for these adversaries.

"We act like old married couples," he said.



Jerzy Urban, voice of the Polish government, fields questions at his weekly press conference.

## Vermont Sect Challenges State Power Over Child Whippings — And Wins, for Now

By Dudley Clendinen

New York Times Service

ISLAND POND, Vermont — It was six years ago, just after the new religious order settled into this remote town beneath the Canadian border, that the townspeople took offense at what they saw. The men of the order were whipping their own children in public.

Frank Manning, a member of the school board then, saw one of the elders of the church take a switch to one of the children at the foot of his driveway. And Bernard Hensault stopped his car on Pleasant Street when he saw another church member "hitting a kid with a stick — a little boy about 5 or 6 years old."

"I said," Mr. Hensault recalled, "You know, we don't hit kids on the streets in this town, and if you don't stop, you're not going to be able to handle the trouble you're going to get."

Most townspeople view the Church of Island Pond as a cult: secretive, separate and reclusive and given to dogmatic disciplining of its children.

The church members see themselves as a biblical Christian community, disciplining their children to protect them from the temptations of the corrupt world and preparing them to enter the Kingdom of God.

Last month the state of Vermont made good on Mr. Hensault's threat. Just after dawn a force of about 50 armed state troopers, to some cases wearing flak jackets, descended on 19 houses where the families of the Church of Island Pond live communally, rounding up 112 children, a number of adults and an assortment of sick, rods and paddles.

A total of 90 social workers, public health nurses, pediatricians, psychologists and others waited nearby to examine the children for signs of physical or emotional trauma.

Approved by Governor Richard A. Snelling and the state attorney general, John Easton, after months of consideration, Vermont's plan to hold the children for three days to examine them for signs of abuse broke apart when District Judge Frank Mahady refused to approve the detention.

Amid a growing storm of controversy, the children were bused home.

The Burlington Free Press, to an editorial, likened the police action to Nazi Germany. Scott Skinner, director of the state branch of the American Civil Liberties Union, called it "probably the most massive deprivation of rights of the citizens of Vermont in Vermont's history."

The legal questions continue, along with the battle for public sentiment.

Given the choice, state officials all said they

**"They weren't just looking for marks on the children. They were talking about — what were the terms — psychological and emotional deprivation? I'm going to lose my child because I won't let him watch Mickey Mouse?"**

would do it again. "When Vermonters learn and know what we know, they'll agree with me that the state had no alternative," Mr. Easton said last week. "I'll risk an election. I've already put my reputation and my career on the line for children who I felt were in danger, and I'd do it again."

Mr. Snelling suggested that trials and appeals on the matter, with ACLU lawyers aiding the defense, could take the matter all the way to the U.S. Supreme Court.

Andrew B. Crane, the state's defender general, sneered politely at that suggestion last week. "He's not a lawyer," Mr. Crane said of the governor. "It's very unlikely that the Vermont Supreme Court or the U.S. Supreme Court will

get involved, because the constitutional issues are very clear-cut."

John Burchard, the commissioner of social and rehabilitation services, said Vermont acted after consultation with Michigan officials who told of their experiences with a black religious sect, the House of Judah.

Michigan removed 66 infants and children from the sect to a rural area after the death of a 12-year-old boy beaten last July 4, reportedly for refusing to do his chores or eat. The state placed all the children in foster homes.

WEST Virginia social workers, Mr. Burchard said, also had monitored the children of a small Christian commune, Stonegate, in Jefferson County; a 2-year-old boy died after beatings by his parents in 1982. The mother was convicted of involuntary manslaughter for the beating, reportedly administered because her son struck a playmate.

The Vermont officials obtained a warrant from a state judge. They had plans to hold the children for three days of examination for marks of physical abuse or signs of psychological trauma, but Judge Mahady, appointed by a court administrator to hear the state's petition for detaining the children, denied the petition as unconstitutional.

State officials are now frustrated. Church parents feel persecuted.

The question of whether church discipline amounts to abuse of children is left open.

"I liken it to the period of the Reformation," said Bill Smith, 28, "when my neighbor could say, 'I think my neighbor is a witch.'"

Mr. Smith, long-haired and bearded like most men of the church, teaches in the church school and is the father of two boys and a girl. He said he graduated from high school and Eckerd College in St. Petersburg, Florida, and had a year of seminary training before joining the church in Vermont six years ago.

"I'd say that we discipline more than the American society in general," he said. "We don't see it as having a bad effect. I see results from the way I'm raising my children. I think my children are open and friendly and intelligent. But I don't know that you could

come in here with a paper and pencil and determine that."

The Church of Island Pond was founded by a former circus barker, Elbert Eugene Spriggs, who went through three marriages and years of drinking before he became a born-again Christian in 1971. The church evolved from his counseling efforts with troubled teenagers to his native Chattanooga, Tennessee. He moved the church to Vermont six years ago after his practices drew attention from officials and the press.

The church sends out walkers with backpacks to wander New England on foot and by thumb, seeking apprentices. Mr. Smith had just come back from such a tour to Hartford, Connecticut.

Recruits come. Fledgling they are expected to renounce all former teachings and share all their possessions. Often they leave.

"Since I've been here, in 10 years, there's been some 10,000 people in here and gone," said a man called Michael, 31, originally of Flintstone, Georgia, the father of three girls.

One father who left was Roland Church, who took his family away, he said, after watching his 13-year-old daughter Darlynn whipped with a slim wooden rod in her underwear at intervals over seven hours. She and her father told state officials she had 89 welts and that she was beaten for being deceitful about a bit of sexual exploration with an 8-year-old boy.

A criminal charge of simple assault is pending against a church elder, Charles Wiseman, in that case.

Whippings, says Jeff Schneider, 19, are known as "getting the rod." He said by telephone from western Massachusetts that he, his parents and two brothers lived in a church house for almost four months in 1982, and that the discipline began with the group breakfast at 5:30 each morning.

Breakfast, he said, was a time for adult sharing and reflection. Children were to be quiet. "If any kids start whining or crying," he said, "they're told to be quiet. If they cry again, they're given a beating. From a very young age, they're taught total obedience."

There are no toys for the children, he said. The children are taught that fantasizing and

pretending are wasteful and wrong. The church's word, he said, is "dissipating." He said the instruction was so effective that he watched 12-year-old children approach his younger brothers and say: "You shouldn't be dissipating. You should find some work to do."

What is not clear is whether the way the church rears its children constitutes abuse.

For years, state officials have had enough evidence to be concerned, but not enough information to confirm or discount their fears. It was its inability to get information in any other way that drove the state to mount the raid.

But it was that lack of specific information in individual cases that Judge Mahady cited in denying the detention request, saying the state "admits that there is not a single piece of evidence in the material submitted that documents a single act of abuse or neglect with regard to any of the 112 children."

Church members, who may number up to 450, including small additional clusters in Boston, in Nova Scotia, and on a farm in Maine, counter that they are not a cult but a Christian community operating businesses and farms and owing allegiance to the Kingdom of God, and not to the laws of man. They withhold their children from public schools, teaching them themselves, treating their medical needs to some extent themselves and often not applying for either birth or death certificates for their children.

These practices have compounded the fears of state officials, who have been frustrated in trying to make truancy cases or to serve subpoenas for simple assault by the fact they do not know exactly how old the children are, or who their parents are, or in which house or community they or their parents live, or who among the church structure is in authority.

The church members have not been helpful in supplying that information, believing that the state has no right to it. "They say they're God — that's pretty much what the state is saying. And we don't think they're God," said Michael, 31, the father of three children, as he sat at the church's Common Sense Food Store and restaurant in Island Pond.

Face to face and then long-distance telephone negotiations between state officials and members of the church broke down in February without producing any working agreement. After seven male church members were released from jail by a local judge after charges of contempt of court failed to persuade them to identify the children living to their communal houses, the state government decided to act.

In the wake of the police action, the church members remain unmoved and say they intend to stay in Island Pond. "They weren't just looking for marks on the children," said Mr. Smith. "They were talking about — what were the terms — psychological and emotional deprivation? I'm going to lose my child because I won't let him watch Mickey Mouse?"

Last summer Randy Norman, an investigator for the Vermont attorney general's office, took a statement in West Islip, New York, from Linda M. Kelly, 29, who had lived with her daughter in the commune. In her statement, part of the evidence used to obtain the search warrant for the state's raid, she told of a 4-year-old, Jeremy Smith.

His grandfather, on a visit, had brought him a toy truck. In the church nursery school, she said, Jeremy "pretended that a block that he was playing with was a truck, and he was disciplined on the spot for it" by being struck 15 or 20 times with a rod with his pants pulled down.

"When he persisted," she said, he was "scourged" — given two long beatings in two days. At the end, she described him as "weary, weak, spirit broken, pathetic, repentance, just kind of dry sobs, just broken, pale."

Jeremy is Bill Smith's son. "If something like that happened, it's really wrong," said Mr. Smith, speaking for the church. However, he acknowledged that "imagining" is discouraged. "To me, the fantasy that is bad is escape into some other world. Why would they need to do that? What's wrong with reality?"

For two hours, as he, Michael, Elizabeth, Cary Long and others talked about the church in its restaurant on Cross Street, children — agitated and calm — pattered in and out of the room.

## Long-Time U.S. Nuclear Regulator Leaves With Dim View of the Industry's Future

By Dale Russakoff

Washington Post Service

WASHINGTON — Several weeks ago, a young Yale graduate aspiring to a career as an energy policy-maker sought the counsel of Victor Gilinsky, the longest-serving member of the U.S. Nuclear Regulatory Commission.

The young man, son of a prominent utility executive, talked earnestly about nuclear and solar power, coal, oil, gas and more. Then he turned to Mr. Gilinsky and asked, "Am I making a mistake going into this field?"

Mr. Gilinsky, 50, known as the commission's toughest regulator, said he thought for a while and, to his surprise, found himself saying: "Yes, you are making a mistake. Energy is out. Telephones are in. Go into telephones."

Telecommunications, he said, has captured the promise that nuclear power seemed to hold a generation ago.

The realization was well-timed. Mr. Gilinsky's second term on the Nuclear Regulatory Commission expired Saturday, and President Ronald Reagan plans to replace him with retired Navy Admiral Lando W. Zeeb Jr., a veteran of the nuclear-powered navy.

It also said much about how Mr. Gilinsky and nuclear power have changed since his appointment in 1975, just after the commission was created as a U.S. nuclear watchdog in the heyday of the atomic age.

He is the last of the original five commission-

ers to leave office, the last who served during the 1979 Three Mile Island reactor accident in Middletown, Pennsylvania, and the last non-Reagan appointee.

When Mr. Gilinsky took office, policy-makers were projecting that 1,000 nuclear reactors would be operating in the United States by the year 2000. Now, with skyrocketing costs and public opposition, they project 120.

Formerly chief of physics at Rand Corp., he spent his first years at the Nuclear Regulatory Commission fighting weapons proliferation. Since Three Mile Island, he has pressed for firmer plant safety controls, calling for major industry and NRC reorganization.

Mr. Gilinsky also has become a critic of the Reagan administration, charging that its hostility to federal regulation has undermined public safety and the nuclear industry. In the last three years, he has dissented strongly as the commission majority gave the go-ahead to several troubled plants.

"This administration has set about running down the regulatory process under the euphemism of regulatory reform," he said in an interview last week. "They are untangling the regulatory shoelaces" by appointing officials less committed to regulation.

"You saw it at the EPA," he said, referring to the Environmental Protection Agency. "You see it across the city. The administration fails to distinguish between economic regulation and health and safety regulation. We're not talking

here about whether trucking company A or trucking company B should have a certain route. We're talking about whether to protect people from presumably some pretty obvious hazards."

"The government's safety role is absolutely vital if the industry is to move forward at all. You can't have the enterprise without it."

Nuclear industry leaders accuse Mr. Gilinsky of surfeit and of exacerbating the erosion of public confidence in atomic power. A nuclear industry lobbyist, who asked to remain anonymous, said, "Most people in the utility industry think that things will be better when he's gone."

But Mr. Gilinsky is an unusual breed of nuclear skeptic, and many utility executives say they came to respect his critique of their industry. A physicist with a doctorate, he spent more than a decade working on nuclear power issues at Rand and as an adviser to the Atomic Energy Commission in the early 1970s.

Since his appointment by President Gerald R. Ford, he has "voted to license more nuclear power plants than anyone in history," Peter Bradford, a former commissioner and a Gilinsky ally, pointed out.

Mr. Gilinsky also was the only commissioner to have former nuclear plant operators on his staff, drawing on their experience to toughen his questions about plant construction and operations. And he visited more plants than other commissioners, questioning operators at each site.

"He has a tremendous institutional memory,"

said Commissioner James Asseltine, a Reagan appointee and former Senate aide on nuclear matters. "This will be a weaker organization when he leaves."

Mr. Asseltine, a lawyer known for his independence, said his view of Mr. Gilinsky initially was "colored by the industry stereotype." But the two became allies on safety issues, trying in the last two years to block the go-ahead for several plants — most recently the Grand Gulf plant in Mississippi, one of the largest ever built — on grounds that they violated commission safety regulations. In most cases, they lost, 3-2.

ONE clue to Mr. Gilinsky's skepticism was his office decor. At first glance, his looked like most commission offices. It was adorned with serial shots of long, windowless nuclear plants dwarfed by cooling towers. But Mr. Gilinsky's gallery was a little different.

It had a heavy representation of plants with big troubles: Washington Public Power Supply System, which prompted the biggest municipal bond default to U.S. history; Midland, in Michigan, which is sinking into the ground; Zimmer, in Ohio, with so many technical problems that its owners are converting it to a coal plant; Seabrook, in New Hampshire, whose skyrocketing costs almost forced a bankruptcy; Diablo Canyon, in California, built near an earthquake fault, and more.

Was there was a method to this photo selection? "Maybe," he said, smiling.

Last year, in his most controversial stand, he called on the top officers of the company that owns the Three Mile Island plant to resign. They were in charge during the accident, when the company failed to disclose critical dangers in

**"The nuclear people have tended to divide the world into them and everyone else. Being so self-protective is against their own interest. The industry has to change in order to get healthy economically and manage its technology properly."**

the reactor core, and later, when plant operators were found to have cheated on U.S. exams. "After that," Mr. Gilinsky said, "the industry people said to me: 'You're absolutely right, but you shouldn't have said it.'"

"The nuclear people have tended to divide the world into them and everyone else, pro-nuclear or anti-nuclear," Mr. Gilinsky said. "Being so

self-protective is against their own interest. The industry has to change in order to get healthy economically and manage its technology properly."

Mr. Gilinsky has campaigned for a major overhaul of industry. About 60 U.S. utilities operate nuclear plants, each plant designed differently, he has pointed out. Companies with little or no nuclear experience undertook huge projects that ended up with exorbitant cost overruns and major technical errors — Diablo Canyon, Grand Gulf, Zimmer, Midland and Washington Public Power, among others.

He proposed consolidating companies that oversee the construction and operation of plants, capitalizing on the experience of successful plant operators. Many utility executives have seconded his proposal.

In retrospect, he said, the grandiose, early visions for nuclear power seem to have harmed the enterprise. He remarked that the era after World War II, which was promoted as the age of the atom, instead became the computer age.

"Everyone was focused on the generation of electricity and his wonderful, new technology that could do it," he said. "We were going to have 1,000 reactors in no time."

"And here, in computers, came a technology that started on the small scale, that grew as it was tested and as the market was ready for it. And it turned out to be far more important, literally transforming the country if not the world. Just what nuclear power was supposed to do."



# ARTS / LEISURE

## Palestrina' Staged in Munich, Berlin

By Andrew Clark

International Herald Tribune

MUNICH — Fifty years after the nationalist movement in German music began to fizzle out, time has come for reassessment. Richard Strauss's "Die Tote Stadt" (The Dead City) in West Berlin, Max von Schillings' "Sona Lisa" in Karlsruhe and Franz Schreker's "Die Gezeichneten" in a concert performance at this year's Salzburg Festival are examples of what is on offer, but the se has yet to be made for their long-term return to the repertoire. One opera that does, however, demand more sustained international appraisal is Hans Pfitzner's "Palestrina," which has just been staged by the Bavarian State Opera here and by the Deutsche Staatsoper in East Berlin.

Pfitzner made his reputation in Germany before World War I as a conductor, composer and theater administrator, and "Palestrina" is his magnum opus. It contrasts the inner life of the world-weary 16th-century Italian composer with an extended caricature of the Council of Trent, whose colorful debate on church music forms the basis of the central act. Palestrina, who has lost interest in composition since the death of his wife, is under pressure to write an extraordinary Mass that will rescue the developing polyphonic forms of music from the attacks of a reactionary papacy. The "Missa Papae Gregorae" serves its purpose, but the public acclaim it brings only ever to make its composer more withdrawn.

"Palestrina" was first performed in Munich in 1917, with Bruno Walter conducting. Two years later Pfitzner himself conducted the Berlin premiere, but the opera has the intervening years found few champions outside Munich, whose cultural conservatism and Roman Catholic tradition match the spirit of the work.

Pfitzner believed the nationalist movement would reassess whole musical values against the

decadence of more alien and modern modes of expression developed by Stravinsky and Schoenberg. Today it is the musical conservatives who rose to fame in the shadow of Richard Strauss who are dubbed as vulgarly decadent, and "Palestrina" illustrates why: It is of almost Wagnerian length, its cast and orchestration are sprawling, and the musical language is reactionary.

The productions in Munich and Berlin have served as a timely reminder of what is on offer, but the se has yet to be made for their long-term return to the repertoire. One opera that does, however, demand more sustained international appraisal is Hans Pfitzner's "Palestrina," which has just been staged by the Bavarian State Opera here and by the Deutsche Staatsoper in East Berlin.

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Peter Schreier as Palestrina in Munich production.

before the short final act heightened the contrast between council turmoil and the peacefulness in Palestrina's home.

Erhard Fischer's Berlin production lays bare the second act's unevenness and complexity, giving it an ill-fitting air as music theater. The cast, with the exception of Fritz Hübner's convincing profile as Cardinal Madruschi, looked under-rehearsed and devoid of character, and Oskar Sauter's hesitant musical direction failed to inspire the necessary virtuoso playing in the pit.

A weakness in both productions is the casting of the opera's most interesting role, Cardinal Borromeo, whose appeal to Palestrina for the new Mass is made on the pretext of friendship, but who throws the composer in prison when he appears obstinate.

Dietrich Fischer-Dieskau has shown the potential of the role in the recording conducted by Rafael Kubelick; it requires a baritone voice capable of penetrating dense orchestration, and an actor who can portray the transformation from self-righteousness to contrite humility. But whatever the limitations of stage performance, Pfitzner's depiction of Borromeo breaking down before the all-forgiving Palestrina in the penultimate scene breathes a humanity that illustrates the work's stature beyond its musical or religious significance.

"Palestrina" can be seen on July 8 during the Munich Opera Festival, which runs through July 31.

## Dazzling Performances Rescue 'Aren't We All?'

By Sheridan Morley

International Herald Tribune

LONDON — A rich and rare theatrical collector's piece at the Haymarket: Frederick Lonsdale's "Aren't We All?" was last seen in London a few months before his death in 1954. At that time it provoked a barrage of abuse from critics complaining about worn-out drawing room comedies from the Cowardly 1920s.

Although officially dated 1923, the play in fact goes back to 1908 when Lonsdale first wrote and staged it as "The Best People." At that time the last act was a bit tricky, as they so often were with Lonsdale, and he put it back in the drawer for revision 15 years later.

What we have here is, therefore, not a drawing room comedy at all, but a "problem" play from the era of John Galsworthy and the young Somerset Maugham. A woman with a secret comes back from Egypt to find her husband in the

arms of another woman. She too has been having a bit of a thing while abroad with a young Australian but declines to confess this while accusing her husband of infidelity. Then, thanks to her conniv-

### THE BRITISH STAGE

ing father-in-law, the young Australian turns up. So who should confess what to whom? Ooto this admittedly fragile frame, Lonsdale has grafted a vicar and his wife straight out of P.G. Wodehouse, a fancy-dress ball out of an early Ben Travers farce and traces of dialogue that still sound as if they are awaiting revision and heavy cutting.

The real problem with Lonsdale's plays, and his leading characters, is that not only did he attempt to make bricks without straw but he often couldn't remember what a brick was supposed to look like. And if Rex Harrison and about half his cast seemed to be

having a little trouble with the dialogue on opening night, that was nothing compared to the trouble that Lonsdale always had with it. Unable to plot like Arthur Pinero or joke like Oscar Wilde, he fell back time and again on a series of ramshackle character sketches in search of a frame.

The new Clifford Williams production is, therefore, essentially an evening for stargazing. We have Claudette Colbert, a fantastically well-preserved octogenarian movie star making her return to the West End after 36 years, dressed like a Christmas tree and turning in a performance of equally dazzling certainty as Lady Frinton. Then we have Harrison, a master light comedian who for 30 years hasn't done a light comedy, turning the old Ronnie Squire role of Lord Grenham into a power broker whose strongest suit is still the suit he stands so elegantly in. Add to them Michael Gough and Madge Ryan as a wonderfully melancholic vicarage

couple, and Francis Matthews and Nicola Pagett dealing with the play's curious morality, and what you get is a roccoco museum piece of baroque fascination.

Jennifer Piercey as their doctor but also to Kenneth Brnagh as the falling male track star and Polly James as the pushy sponsor.

Meanwhile, on its other studio stage at the Barbican Pit, last year's Stratford company can now be seen in the London transfer of William Somerset Maugham's "The Time of Your Life," a rediscovery from 1939 that resembles nothing so much as the flip side of Eugene O'Neill's "The Iceman Cometh," written in the same year.

Again we are in a downbeat barroom, where drinkers are serving life sentences, only now the agony has been stripped away in reveal a kind of gentle, lyrical resignation. A guy looking like Dooley Wilson's uncle is hired to play piano; another guy, less plausibly, is hired as the joint's resident comic dancer. A cop is shot in the closing moments, before which not a lot has happened except that for two mesmerizing hours we have learned to live with a booker who wants it known she was once in burlesque (Zoe Wanamaker) and a mysteriously affluent central figure (Daniel Massey) whose rambling and shaggy charm perfectly captures the play's mood.

## They Certainly Do Close Jazz Clubs

By Michael Zwerin

International Herald Tribune

DEXTER GORDON mumbled: "It's very special," an exorbitant compliment the laconic saxophonist reserves for special occasions. "My heart belongs to Keystone Korner." Art Blakey wrote in bold black ink on the wall next to the stage, Mary Lou Williams called it "The Birdland of the 70s."

In October the Japanese Swing Journal will begin serializing Todd Barkan's book "They Close Jazz Clubs, Don't They," a revealing, often bitter account of the rise and fall of his San Francisco club Keystone Korner, and a dissertation on the history and future of clubs and jazz in general.

Barkan, who studied piano at Oberlin College, in Ohio, first walked into the place in the summer of 1972 trying to get a job for his band. The owner said: "Jazz doesn't sell. I'm opening a rock club. I'll sell you this place for \$12,500." The price included the lease, the beer license and an inherited booking: "I'll throw in Jerry Garcia for one night."

Barkan can laugh about it now: "The whole joint was full of Grateful Dead fans on Quaaludes. I almost gave up the business right then."

But soon he began to feel that running a jazz club was his true calling. He had been well prepared.

At the age of 8 in Columbus, Ohio, he got on a bus and found the blind reedman Roland Kirk tooting his oose-flute in the back. Kirk explained how it worked, then took him to his house and showed him his other instruments. Barkan became his seeing-eye. They spent hours listening to music together: "Roland was an extraordinary encyclopedia of jazz music. I watched him die. I felt like running Keystone Korner was something he wanted me to do."

Now 37, Barkan, who has a sharp sense of irony, is slowly recovering after declaring bankruptcy last July: "It started with no money and ended with no money and there was very little money in between. I was left with nothing. I had to sell my record collection, my car, virtually every personal possession just to stay alive."

While touring Europe as Kirk's percussionist some years ago, Barkan met the Dutchman Wim Wigt, currently one of Europe's biggest jazz promoters and

owner of Timeless Records. Wigt has hired Barkan as partner and director.

"I learned some painful economic lessons. The music always came first, often to the detriment of the business," Barkan explained ruefully. "A lot of musicians were overpaid, we were over-solicitous, trying to take care of their every need. I was something of a soft touch. Sam Rivers would call up and say he wanted so much money. I'd say 'Great! Sam Rivers.' There was so much love put into it. In other places it's like, if you make money, fine, if not, later baby. Everybody got respect in Keystone Korner."

Barkan continually owed back taxes and rent. Grover Washington and George Benson played benefits. Miles Davis worked three nights for only \$2,000. The death of the Keystone Korner is part of a plague. There is basically no longer a club circuit in the United States. Musicians have raised their prices and make more for one concert than an entire week in a club. The public's taste has changed. The clubs are closing.

Barkan claims he supplied "over \$7 million worth of work to musicians. I was one of the leading jazz employers of the world. I did it in a 200-seat room with no subsidy. Now I have \$20,000 in back tax bills which will take me four years to pay off. I also owe \$5,000 to musicians and I get nasty, cutting remarks from them. There is a lot of resentment against promoters. If you make money, they say you're ripping off the music. If you lose, there's no sympathy."

Barkan says that Europe and Japan have been taking up the slack, though concerts in Japan are less successful than in the past and the high dollar costs the promoters much more to pay the same prices. "It's not as simple as the 'Jazz Is Back' or 'Jazz Is Dead' headlines. It's going to take an entire re-evaluation of the structure to make substantial changes. Jazz educators in the U.S. are going to have to get more active on the practical, business side. There should be a circuit of nonprofit organizations so that somebody like Max Roach can work in his own country. That's my dream."

Wim Wigt Productions, Camel Jazz Festival, the Concertgebouw, Amsterdam, July 16-28; Tito Puente, Phil Woods, Chick Corea/Friedrich Gulda duo, Art Blakey and others.

### Dining Out

PARIS 1st	PARIS 8th
<b>CAVEAU DES CHEVILLARDS</b> Restaurant-Art Gallery, 1 & 3 rue St-Hippolyte. 261-6171. From jazz club/dinner/dance. Best selection of food. Private rooms for receptions.	<b>THE CHEESE BISTRO</b> Cheese specialties. Relaxed atmosphere, just off Champs-Élysées. Daily except Sunday. 16 Rue Washington. Res.: 225 65 63.
PARIS 6th	PARIS 14th
<b>AL FRANK PINKY</b> , 1 Châteaubien (Rte. St-Louis). 229-4531. Closed Sun. & Mon. Wonderful restaurant, lunch, dinner or 20th-century cabaret.	<b>VIEUX MISTERS DE FRANCE</b> Lunch-dinner. Dishes inspired by 13th-century recipes. Parking. Closed Sun. & Mon. Near St. Anne. Beaumarchais: 588-9103. English & German also spoken.
PARIS 5th	PARIS 16th
<b>THE STUDIO</b> , 41 Rue du Temple (in Courtyard). 274-1133. American food. Tuesday thru Sunday. Times: 6:30-11:30. Monday night. Open for lunch Tuesday thru Sunday.	<b>LE COUSINEUR</b> , 1 Bd. Exelmans (Rue). 524-3125. The 20th-century restaurant. Menu of fr. 72 service included + a la carte. An excellent combination.
PARIS 2nd	PARIS 17th
<b>AUBERGE DES 2 SIGNES</b> Authentic medieval setting with view of Notre-Dame. Closed Sundays. 46 Rue Godefroid (5th) 225-46-54.	<b>LE COQ de la MAISON BLANCHE</b> 27 Bd. Jean-Baptiste, 5th floor. 254-0123. 10 min. from Champs-Élysées. Closed Sun. & Mon. Near St. Anne.
PARIS 6th	LONDON
<b>LAVERNE DE SAISONVILLE</b> , 15, Y. St. Hubert, 222-35-98. Cl. Mon. 7 p.m. Cl. Sun. Closed local music. Air cond. Most 70 F. incl. Carle approx. 130 F.	<b>RESTAURANT BOULESTIN</b> Telephone 01-834 7061/01-836 3819. In Henrietta St., Covent Garden, WC2. Lunch Mon-Fri. 12-2.30. Dinner Mon-Sat. 7-11.15.
PARIS 7th	MASTERS RESTAURANT LONDON
<b>LA PETITE CHAISE</b> Delicate cuisine of the oldest restaurant in Paris. Menu 76 F. Daily. 36 r. de Godefroid. 222-13-35.	English restaurant with food/cocktail/entertainment, surrounded with beautiful works of art. Two fantastic and crowded bars, fully air-conditioned & extremely reasonable prices. 170 Grafton Street, London SW1. Tel. 581 5466. (Near Albert Hall).
PARIS 7th	
<b>LA DARIOLLE DE PARIS</b> 40 Rue Cadix. To 10 p.m. Fine collection of antique English furniture. Also 40 French style of furniture. Closed Sat. Sun. & holidays. 225-66-76.	

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NYSE Most Actives				
Symbol	Vol.	High	Low	Change
IBM	1,200,000	120 1/2	120 1/4	+ 1/4
AT&T	1,100,000	54 1/2	54 1/4	+ 1/4
GE	1,000,000	34 1/2	34 1/4	+ 1/4
AMC	900,000	12 1/2	12 1/4	+ 1/4
IBM	800,000	120 1/2	120 1/4	+ 1/4
AT&T	700,000	54 1/2	54 1/4	+ 1/4
GE	600,000	34 1/2	34 1/4	+ 1/4
AMC	500,000	12 1/2	12 1/4	+ 1/4
IBM	400,000	120 1/2	120 1/4	+ 1/4

Dow Jones Averages				
Index	Open	High	Low	Close
Indus	2,825.19	2,830.19	2,820.19	2,825.19
Trans	1,100.19	1,105.19	1,095.19	1,100.19
Comp	1,000.19	1,005.19	995.19	1,000.19

NYSE Index				
Index	Open	High	Low	Close
Composite	2,825.19	2,830.19	2,820.19	2,825.19
Indus	1,100.19	1,105.19	1,095.19	1,100.19
Trans	1,000.19	1,005.19	995.19	1,000.19

NYSE Closing				
Vol.	4 P.M.	4:30 P.M.	5 P.M.	5:30 P.M.
Vol.	1,200,000	1,100,000	1,000,000	900,000
Vol.	1,100,000	1,000,000	900,000	800,000
Vol.	1,000,000	900,000	800,000	700,000

AMEX Diaries				
Index	Open	High	Low	Close
Composite	1,200.19	1,205.19	1,195.19	1,200.19
Indus	600.19	605.19	595.19	600.19
Trans	600.19	605.19	595.19	600.19

NASDAQ Index				
Index	Open	High	Low	Close
Composite	1,200.19	1,205.19	1,195.19	1,200.19
Indus	600.19	605.19	595.19	600.19
Trans	600.19	605.19	595.19	600.19

AMEX Most Actives				
Symbol	Vol.	High	Low	Change
IBM	1,200,000	120 1/2	120 1/4	+ 1/4
AT&T	1,100,000	54 1/2	54 1/4	+ 1/4
GE	1,000,000	34 1/2	34 1/4	+ 1/4
AMC	900,000	12 1/2	12 1/4	+ 1/4
IBM	800,000	120 1/2	120 1/4	+ 1/4

## NYSE Is Higher in Slow Day

**United Press International**

**NEW YORK** — Prices on the New York Stock Exchange, overcoming a rise in some short-term interest rates, staged a pre-independence rally Tuesday that drove prices slightly higher.

Brokers said the late buying burst was caused by investors replacing borrowed shares sold earlier in hopes the market would drop. When it didn't, they had to replace those shares.

Transportation issues were pacesetters in the lightly traded session. Blue-chip leaders included IBM and General Foods.

The Dow Jones industrial average, which drifted most of the day after slipping 2.32 points Monday, rebounded 4.20 points to 1,134.28. It rose 5.85 Friday.

The Dow transportation average spurred 7.20 to 479.42.

Advances topped declines 838-645 among the 1,959 issues traded.

Volume totaled 70 million shares compared with 69.2 million traded Monday, the slowest session in nearly three weeks.

The market will be closed Wednesday for the Independence Day holiday and many investors left early and probably won't come back Thursday or Friday.

Despite the light trading, the "market acted very well," said Michael Metz of Oppenheimer & Co., Wall Street is looking for an excuse to rally and I think they are going to find it.

"The bond market picked up a bit and stocks followed," said Marvin Katz of Sanford C. Bernstein. "It looks like some pension funds are beginning to invest and the direction of least resistance is up."

U.S. Trust and Bankers Trust raised their broker loan rates to 13 percent as federal funds, which banks charge one another for overnight loans, traded at 12 1/2 percent.

Despite these increases, bonds moved higher as the Treasury sold \$3.5 billion of seven-year notes at an average yield of 13.83 percent in its mini-auction program for the quarter.

Indiana Standard was the most active NYSE-listed issue, up 1/4 to 57 1/2 following a block of 1.2 million shares at 57 1/2, which the company bought as part of an announced repurchase plan.

Petroleum was the second most active issue, off 1/4 to 19 1/4. U.S. Steel was third, off 1/4 to 23 1/4. The state of Illinois sued to block USS from dismantling its South Works plant in Chicago.

Diamond Shamrock, which has been mentioned as a takeover target, was fourth, up 1/4 to 19 1/4. Anchor Hocking, which also has figured in merger rumors, advanced 1/4 to 29.

IBM climbed 1/4 to 107 1/4. AT&T signed an agreement with Olivetti to promote its Unix system in Europe.

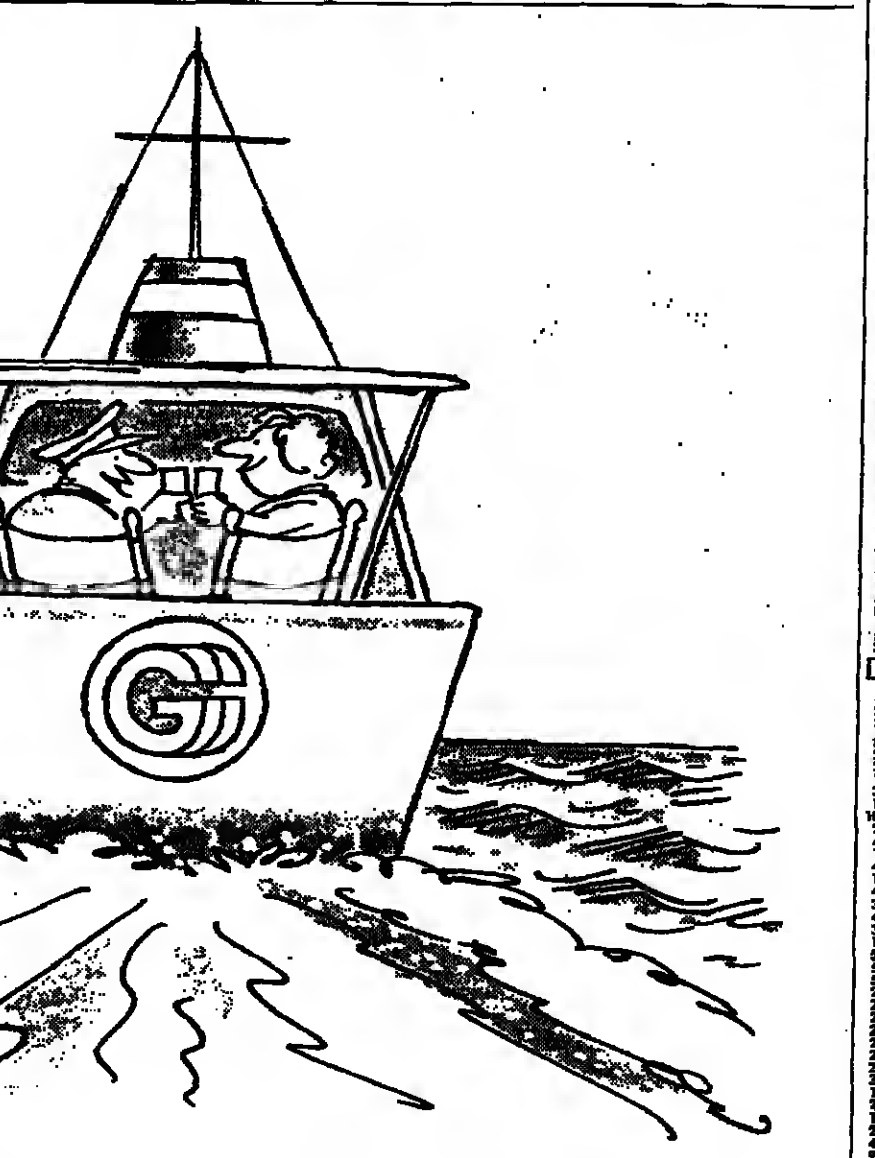
General Foods rose 1/4 to 55 1/4. Borden's 1/4 to 59 and Carnation 1/4 to 64. Brokers said that Esmer's former chairman, Donald P. Kelly, and his associates, flush with cash after their buyout by Beatrice Cos., were in the market for an acquisition.

Among the transportation issues, Carolina Freight Carriers gained 1/4 to 17 1/4. Norfolk Southern 1/4 to 53, Northwest Air 1/4 to 37 1/4. Overnite Transportation 1/4 to 20 1/4, Transway 1/4 to 34 1/4 and UAL Inc. 1/4 to 35 1/4.

13 Month High Low				
Symbol	High	Low	Open	Close
IBM	120 1/2	120 1/4	120 1/2	120 1/2
AT&T	54 1/2	54 1/4	54 1/2	54 1/2
GE	34 1/2	34 1/4	34 1/2	34 1/2
AMC	12 1/2	12 1/4	12 1/2	12 1/2
IBM	120 1/2	120 1/4	120 1/2	120 1/2
AT&T	54 1/2	54 1/4	54 1/2	54 1/2
GE	34 1/2	34 1/4	34 1/2	34 1/2
AMC	12 1/2	12 1/4	12 1/2	12 1/2
IBM	120 1/2	120 1/4	120 1/2	120 1/2

17 Month High Low				
Symbol	High	Low	Open	Close
IBM	120 1/2	120 1/4	120 1/2	120 1/2
AT&T	54 1/2	54 1/4	54 1/2	54 1/2
GE	34 1/2	34 1/4	34 1/2	34 1/2
AMC	12 1/2	12 1/4	12 1/2	12 1/2
IBM	120 1/2	120 1/4	120 1/2	120 1/2
AT&T	54 1/2	54 1/4	54 1/2	54 1/2
GE	34 1/2	34 1/4	34 1/2	34 1/2
AMC	12 1/2	12 1/4	12 1/2	12 1/2
IBM	120 1/2	120 1/4	120 1/2	120 1/2

12 Month High Low				
Symbol	High	Low	Open	Close
IBM	120 1/2	120 1/4	120 1/2	120 1/2
AT&T	54 1/2	54 1/4	54 1/2	54 1/2
GE	34 1/2	34 1/4	34 1/2	34 1/2
AMC	12 1/2	12 1/4	12 1/2	12 1/2
IBM	120 1/2	120 1/4	120 1/2	120 1/2
AT&T	54 1/2	54 1/4	54 1/2	54 1/2
GE	34 1/2	34 1/4	34 1/2	34 1/2
AMC	12 1/2	12 1/4	12 1/2	12 1/2
IBM	120 1/2	120 1/4	120 1/2	120 1/2



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12 Month High Low				
Symbol	High	Low	Open	Close
IBM	120 1/2	120 1/4	120 1/2	120 1/2
AT&T	54 1/2	54 1/4	54 1/2	54 1/2
GE	34 1/2	34 1/4	34 1/2	34 1/2
AMC	12 1/2	12 1/4	12 1/2	12 1/2
IBM	120 1/2	120 1/4	120 1/2	120 1/2
AT&T	54 1/2	54 1/4	54 1/2	54 1/2
GE	34 1/2	34 1/4	34 1/2	34 1/2
AMC	12 1/2	12 1/4	12 1/2	12 1/2
IBM	120 1/2	120 1/4	120 1/2	120 1/2

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Symbol	High	Low	Open	Close
IBM	120 1/2	120 1/4	120 1/2	120 1/2
AT&T	54 1/2	54 1/4	54 1/2	54 1/2
GE	34 1/2	34 1/4	34 1/2	34 1/2
AMC	12 1/2	12 1/4	12 1/2	12 1/2
IBM	120 1/2	120 1/4	120 1/2	120 1/2
AT&T	54 1/2	54 1/4	54 1/2	54 1/2
GE	34 1/2	34 1/4	34 1/2	34 1/2
AMC	12 1/2	12 1/4	12 1/2	12 1/2
IBM	120 1/2	120 1/4	120 1/2	120 1/2

(Continued on Page 12)



Stocks  
Port, Page 10  
WEDNESDAY, JULY 4, 1984

## INTERNATIONAL MANAGER Banks Woo Corporations With Electronic Services

By SHERRY BUCHANAN  
International Herald Tribune

RUSSELLS — The Society for Worldwide Interbank Financial Telecommunications, which enables banks to make speedy international fund transfers, continues to deny membership to corporate groups. But doing SWIFT and its 1,000 or so member banks have given to a new specter: With electronic transfers of money now available, the corporate client might well learn to live without its link.

Corporations, refused entry into SWIFT, could start their own international network of automatic fund transfers.

Most banks in Europe, however, did not need the prospect of their own demise to join the electronic corporate banking market. With U.S. banks still in the lead, Citibank, Chase Manhattan, Infocash, Morgan Guaranty with Mars, Citibank with banking and Bank of America's program — Euro-

banks are increasingly offering cash-management services to corporate clients.

These banks include National Westminster and Barclays in Britain, and Dresdner, Commerzbank and soon Deutsche Bank in Germany. Even smaller European banks, such as Banque Paribas, the Belgian trade finance bank, are starting to offer sophisticated cash-management services with all the features the big banks are offering.

In France and Italy, banks have to get approval for any transfer of foreign exchange from the central bank. So, large banks and Italian banks are developing electronic corporate banking networks, but they could fall behind major banks in other countries. There is little point in being able to transfer funds electronically in less than 10 minutes if the central bank takes weeks to approve the transfer in the first place.

Some U.S. banks in Europe, notably Citibank and Bank of America, are taking cash management a step further: They are offering corporate treasurers how to manage their companies' money. Both of the large U.S. banks offer sophisticated treasury-management programs. In fact, they have moved head-on into two-way packaging. With Citibank's foreign-exposure analysis, for instance, a corporate treasurer can ask Citibank to forecast company's net foreign-exchange position with Citibank at a date.

Some corporate treasurers are shying away from the banks' tell-all approach and prefer to combine the information they get from their bank with their own in-house treasury-management system.

"We input Citibank's foreign-exchange information into our in-house foreign-exchange management system. But we don't use its foreign-exchange exposure analysis," says Peter Collier, assistant treasurer with Metal Box, a medium-size British multinational corporation, which makes packaging material. "Treasury management has to be tailored to the company's requirements and so far we have decided to go our own way."

Some major U.S. banks, such as Morgan Guaranty and Chemical Bank, have opted to stay out of the one-size-fits-all treasury-management services in Europe.

"A corporate treasurer doesn't want to be locked into any one bank," says Henri-Michel F. Franchimand, a vice president with Morgan Guaranty in Brussels. "I see a trend where the treasurer will access each one of his own banks individually and do consolidation work in-house."

Derek French, group manager of corporate cash management National Westminster, which withdrew its currency-management system from the market recently, said: "The challenge for us is to achieve a range of options that will enable the treasurer to choose among them without incurring the cost of customization."

(Continued on Page 13, Col. 1)

## CURRENCY RATES

Local interbank rates on July 3, excluding fees.

Local footings for Amsterdam, Brussels, Milan, Paris, New York rates at 4:00 P.M.

Currency	Per \$	D.M.	F.P.	Y.L.	G.H.	S.P.	S.P.	Y.L.
Australian	1.5625	4.24	117.77	347.55	8.1835	8.545	124.50	124.25
Belgian	37.50	76.43	26.38	4.73	3.295	18.09	54.22	23.62
British	1.5625	2.17	117.77	347.55	8.1835	8.545	124.50	124.25
Canadian	1.2500	3.7700	115.28	337.02	4.292	76.43	3.1415	238.75
French	1.2724	2.5110	67.50	20.30	34.91	26.25	72.17	72.04
German	1.324	2.25	8.44	127.00	3.140	32.72	2.140	222.2
Italian	8.47	11.545	35.40	—	4.95	27.10	13.07	345.94
Japanese	229.25	222.47	82.25	27.25	13.50	72.73	47.25	102.15
Swiss	2.2028	13.351	83.51	22.25	13.54	74.27	47.25	102.15
U.S.	0.752	0.504	2.25	4.602	1.5727	2.528	45.42	1.24
Y.L.	1.0205	6.7011	1.2835	3.8444	11.0	3.251	55.402	2.4799

## INTEREST RATES

100-day Dollar Rates July 3

Currency	Per \$	D.M.	F.P.	Y.L.	G.H.	S.P.	S.P.	Y.L.
Australian	1.5625	4.24	117.77	347.55	8.1835	8.545	124.50	124.25
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Italian	8.47	11.545	35.40	—	4.95	27.10	13.07	345.94
Japanese	229.25	222.47	82.25	27.25	13.50	72.73	47.25	102.15
Swiss	2.2028	13.351	83.51	22.25	13.54	74.27	47.25	102.15
U.S.	0.752	0.504	2.25	4.602	1.5727	2.528	45.42	1.24
Y.L.	1.0205	6.7011	1.2835	3.8444	11.0	3.251	55.402	2.4799

## INTEREST RATES

100-day Dollar Rates July 3

Currency	Per \$	D.M.	F.P.	Y.L.	G.H.	S.P.	S.P.	Y.L.
Australian	1.5625	4.24	117.77	347.55	8.1835	8.545	124.50	124.25
Belgian	37.50	76.43	26.38	4.73	3.295	18.09	54.22	23.62
British	1.5625	2.17	117.77	347.55	8.1835	8.545	124.50	124.25
Canadian	1.2500	3.7700	115.28	337.02	4.292	76.43	3.1415	238.75
French	1.2724	2.5110	67.50	20.30	34.91	26.25	72.17	72.04
German	1.324	2.25	8.44	127.00	3.140	32.72	2.140	222.2
Italian	8.47	11.545	35.40	—	4.95	27.10	13.07	345.94
Japanese	229.25	222.47	82.25	27.25	13.50	72.73	47.25	102.15
Swiss	2.2028	13.351	83.51	22.25	13.54	74.27	47.25	102.15
U.S.	0.752	0.504	2.25	4.602	1.5727	2.528	45.42	1.24
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100-day Dollar Rates July 3

Currency	Per \$	D.M.	F.P.	Y.L.	G.H.	S.P.	S.P.	Y.L.
Australian	1.5625	4.24	117.77	347.55	8.1835	8.545	124.50	124.25
Belgian	37.50	76.43	26.38	4.73	3.295	18.09	54.22	23.62
British	1.5625	2.17	117.77	347.55	8.1835	8.545	124.50	124.25
Canadian	1.2500	3.7700	115.28	337.02	4.292	76.43	3.1415	238.75
French	1.2724	2.5110	67.50	20.30	34.91	26.25	72.17	72.04
German	1.324	2.25	8.44	127.00	3.140	32.72	2.140	222.2
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## FDIC Acts On Broker Deposits

By SHERRY BUCHANAN  
International Herald Tribune

WASHINGTON — The Federal Deposit Insurance Corp. has acted to guard against what it called the "clear and present danger" to the banking insurance system posed by so-called brokered deposits.

The agency issued a ruling Monday requiring banks to insure to report monthly on deposits made by money brokers on behalf of individuals.

Money brokers place the deposits where they can get the highest rate of return, without regard to the financial soundness of the bank.

Money brokers usually collect money from several individuals and place it in banks in packages of \$100,000. The FDIC fully insures commercial bank deposits for the first \$100,000.

The agency said the practice of brokered deposits has "significantly increased costs" to the FDIC when a bank fails and the agency is forced to make good on its deposit insurance.

"Deposit brokerage continues to present a clear and present danger to the insurance system as deposit brokers continue to exploit and abuse federal deposit insurance coverage," the FDIC said.

"Moreover, many financial institutions, such as credit unions, place fully insured funds directly with banks based solely on the rate of interest paid without regard to the financial condition of the institutions."

On March 26, the FDIC and the Federal Home Loan Bank Board issued a joint regulation limiting the insurance coverage on money deposited either by or through a deposit broker.

However, on June 20, a federal district court ruled that the agencies exceeded their authority in making their joint ruling. The FDIC says it will appeal that decision.

Meanwhile, the new FDIC ruling requires banks to make monthly reports when the sum of brokered deposits and fully insured deposits held by the bank at the end of the month exceed either the bank's total capital and reserves or 5 percent of its total deposits.

The ruling becomes effective 30 days after publication in the Federal Register, with the first required filing expected in early August.

The FDIC said that because of what it deems a "significant danger" to the deposit insurance system, it made the ruling in the form of an interim final regulation without the usual period for public comment.

However, to allow such comment, it made the regulation temporary, expiring Jan. 15, 1985, by which time it expects to issue a final ruling.

That package became necessary after a run on the bank's deposits involving more than \$10 billion began in May as rumors spread about Continental's financial position.

Since March 31, Continental's assets have declined at least \$5 billion, banking sources said, and now stand at about \$37 billion. That is a shrinkage of about 12 percent.

Continental officials declined to comment.

"We're trying to make Continental more bite-size so that even we might be able to buy them," said a regional banker whose bank is among the 20 largest in the United States and who asked not to be identified. He added that he thought Continental could be shrunk to \$15 billion or so.

Another banker said most of Continental's loans had been eagerly sought by other banks. About 10 percent, he said, were made to medium-size companies in the Chicago area, "the kind of business we might want."

High-quality loans to major corporations are also a big chunk, the kind of loans with relatively low yields that most banks already have enough of, he said, while the rest are loans of questionable quality that nobody wants.

"A lot of that stuff is shaky," he said. "It makes you very nervous."

Mr. Isaac compared Continental to First Pennsylvania Corp., which was saved by the FDIC and a group of banks.

"When First Penn first came to the FDIC they were \$10 billion," Mr. Isaac said. "As part of the program to rehabilitate the bank, it was taken down to \$5 billion."

The present strategy is to reduce Continental's reliance on volatile funds and to strengthen its capital position, Mr. Isaac said.

Bankers, asking to remain anonymous, said they had been shocked when they discovered that about 90 percent of Continental's liabilities, or what it owes to depositors and other lenders, had to be repaid within six months.

Even more astonishing, they said, was the fact that about half its liabilities, such as overnight deposits at its London branch, had to be repaid each day. That meant that every day Continental had to borrow about \$20 billion from banks and other world organizations.

Continental's borrowings under the line of credit from a group of 28 banks averaged \$4.1 billion a day in June, compared to \$2.25 billion daily in May, regulatory sources said, according to a Reuters report from Washington on Tuesday.

## Where the Forecasters Went Wrong 'Dismal Science' Deserves Name

By Robert D. Hershey Jr.  
New York Times Service

WASHINGTON — Economists George Monny used to say, is the only profession in which one can rise to eminence without ever being right.

These days, however, the late labor leader's aphorism is drawing few laughs among economists. This year's booming business expansion has confounded all recorded predictions, leading forecasters into shame-faced mea culpas and suggesting once again that economics is as much a black art as a dismal science.

Last October, 45 professional forecasters polled regularly by Eggert Economic Enterprises Inc. predicted that the gross national product — the country's total output of goods and services — would grow at a 4.2-percent annual rate in the first quarter of 1984. This average was similar to the prediction of another group of 27 economists whose median growth estimate, according to the Federal Reserve Bank of Richmond, was 4.5 percent.

Neither was even close. The actual figure, after three upward revisions by the government, turned out to be 5.7 percent, matching the blistering pace of the second quarter of 1983 that few thought could ever be repeated at a mature stage of economic recovery.

"That's a grotesque error," said David B. Bostian, head of a New York firm bearing his name and one of Mr. Eggert's respondents. Mr. Eggert himself, formerly an economist for the RCA Corp., said flatly, "We're going to have to be better."

The two groups were less widely wrong on the GNP for the second quarter — they predicted 4.5 percent and 4.1 percent growth, respectively, compared with the initial government estimate last week of 5.7 percent. But these are huge disparities when applied to an economy of \$1.63 trillion a year.

Nor did the forecasters distinguish themselves with their predictions for other major indicators. Both the Eggert and Richmond groups far overestimated the pace of inflation and the unemployment rate for both quarters. This fits in the face of traditional economic theory, which holds, in effect,



## (Continued from Page 10)

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**July 3**

**NASDAQ National Market Prices**[illegible][illegible][illegible]

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**Business Roundup**

**K.'s GEC May Repurchase Shares**

By Bob Hagerty

International Herald Tribune

NDON — General Electric reported stagnant profit, said that it may seek to use cash by repurchasing its own

company, which is unrelated U.S. company of the same also said that it is still holding shares that may lead to a takeover of British Aerospace PLC.

The year ended March 31, reported pretax profit of \$271 million, compared with \$270 million in the previous year. Share earnings were up at 14.2 percent, and the company proposed a final dividend of 14.2 percent, raising the

**urer Acquires Enterprise Stake**

By Our Staff From Dispatches

NDON — Norwich Union, Britain's biggest insurance company, has acquired a 10 percent stake in the denationalized North Sea oil group, Enterprise Oil.

which Union paid nearly £40 million (\$53.4 million) for its stake. The second-largest share in the group after Rio Tinto, which has 14.7 percent, Norwich Union was already allotted 10 percent of the 300 million shares in the issue Tuesday had bought another 10 million.

Meanwhile, Enterprise said it intends shareholders to take on RTZ's offer to buy 32 million shares until the board gives its view. (UPI, Reuters)

**COMPANY NOTES**

F Industries PLC's subsidiary Ion Papers Inc. has signed an intent to buy the West Union, Ohio, paper mill of P.H. Iltis Co. for about \$83 million. BAT spokesman said, "Pay will be in the form of a five-year promissory note."

h Méditerranée SA, the tourist operator, said it has a 60-million-franc (\$7 million) joint-venture agreement to build a first holiday village in Chile. The company said the village, initially 200 beds with 50 other leisure facilities, at Sui Mui Sha in the Special Economic Zone, in Hong Kong, which is near Kowloon.

usot-Loire suitors have had inary talks with the French ment, which is seeking a rapement to enable as much as le of the company's opera- o continue, sources said. The

total for the year to 3.45 pence from the year-earlier's 3 pence.

Sales in the latest year totaled £4.8 billion, up 3.8 percent.

The main drag on profit was a drop in investment income to £141 million from £172 million. GEC's much-discussed reserves of cash and short-term securities bloated 15 percent to £1.52 billion, but income on those funds was squeezed by a decline in interest rates and British government bond prices.

Another sore spot was the power generation equipment division, where worldwide overcapacity contributed to a 26-percent drop in pretax profit to £52 million.

Major profit gains came from GEC's Marconi defense electronics operations and from medical equipment. GEC recorded smaller gains for telecommunications, automation and consumer products. A.B. Dick, the U.S. reprographics manufacturer bought in 1979, showed a small profit after recording a loss of nearly £20 million a year before.

GEC created a mild stir by announcing that it would ask shareholders for authority to buy back some of its shares, though company officials said the authority would not necessarily be used.

Such repurchases are common for U.S. companies that consider the market value of their shares to be cheap. British companies, however, were effectively barred from such transactions before recent changes in company law. GEC would be the first major British company to take advantage of the new tax rules.

Malcolm Bates, a GEC director, noted that a repurchase would boost earnings on the remaining shares outstanding and thus sup-

port the share price. He added, however, that tax considerations would prevent the company from spending more than about £300 million on such transactions in any 18-month period.

The latest proposal is in line with long-term policy, Mr. Bates said, noting that the company has paid its shareholders £262 million in the last eight years through distributions of floating-rate notes.

Despite such moves, GEC's reserves are likely to remain large, even if it acquires British Aerospace, the aircraft and missile manufacturer owned 48 percent by the British government. Based on BAE's current share price, such a purchase would total at least £730 million.

GEC announced its interest in BAE June 1, shortly after Thorn EMI PLC opened talks with the aircraft company. BAE has since rejected Thorn's approach.

Some investment analysts contend that GEC has been overcautious in finding uses for its "cash mountain," suggesting that the company has lost momentum in its efforts to diversify from its more mature businesses.

Reaction to the latest move was muted. GEC shares edged up 2 pence on the London Stock Exchange to close at 192 pence a share, supported by expectations that any repurchase would be at a premium of at least 5 percent to the market price.

On a longer-term view, though, some analysts were disappointed. "It seems to be an admission that they couldn't find the right kinds of things to put their money into," said Steve Wood of Scott, Goff, Layton & Co.

**Mitsubishi Net Up 11% in Year**

Reuters

TOKYO — Mitsubishi Electric Corp. said Tuesday that net income to the year ended March 31 rose 11 percent to 38.57 billion yen (\$163 million), a record, from 35.02 billion a year earlier, on sales of 1.741 trillion yen, up 11.7 percent from 1.558 trillion yen.

Total sales included 671.5 billion yen of electronic products and systems, up 19 percent from a year earlier, and 411.6 billion yen of consumer products, up 8.2 percent. Overseas sales, which accounted for 27 percent of overall sales, rose 28 percent to 469.4 billion yen.

The company said it expects consolidated net income in the year ending in March 1985 to rise by 15.8 percent to 45 billion yen from last year, and sales by 12 percent to 1.950 trillion.

**Fiat May Join Zanussi Rescue**

Reuters

TURIN — Fiat SpA, which reported Tuesday that profit rose 93 percent in 1983 to 214 billion lire (\$124.23 million) from 111 billion in 1982, said it is ready to join with Sweden's Electrolux AB in a proposed rescue of Indesit Zanussi SpA.

Fiat said revenue in 1983 was 21.98 trillion lire, up 6.6 percent from 20.62 billion in 1982. Under a plan backed by Zanussi's leading bank creditors, Electrolux is poised to acquire 49 percent of Zanussi.

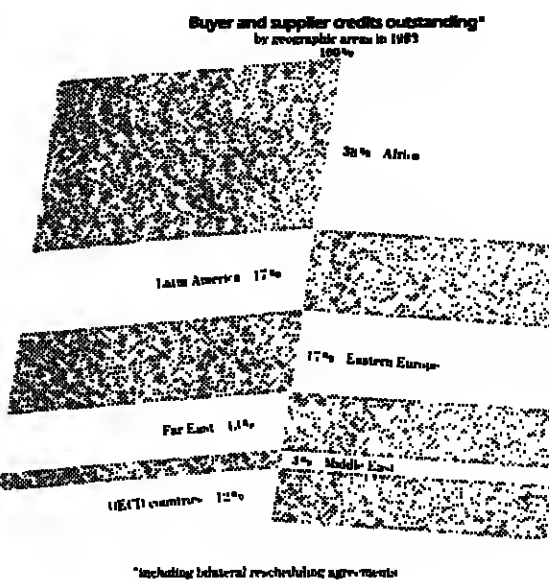
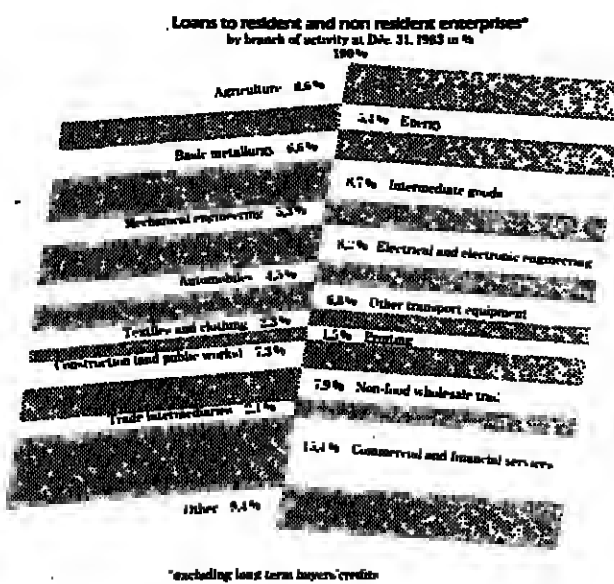
**The activity of BFCE in 1983**

Cash loans to corporate customers in France and abroad rose from 31.5 to 36.3 billion francs, an increase of 15%

Enterprises with international operations are given priority in the granting of such loans, which finance not only exports but also imports, international trading and investment abroad. All the major sectors of economic activity are involved, but especially those oriented towards external markets.

Short, medium and long-term buyer and supplier credits rose from 187 to 214 billion francs, an increase of 14%

These operations permit enterprises to obtain loans on special terms for contracts approved by the French authorities; they relate primarily to exports of capital goods and services to developing countries.



**Results for the 1983 financial year Annual Shareholders' Meeting, May 9, 1984**

- The balance-sheet total for "France and foreign branches" rose from 231.3 to 261.9 billion francs, thus recording an increase of 13.2% over 1982.
- Loans to customers rose by 15.1%, mainly as a result of foreign exchange operations carried out in France and by the foreign branches.
- Short, medium and long-term export financing requiring the intervention of the BFCE expanded by 14%, a smaller increase than in 1982 owing to the decline in sales of industrial groups abroad.
- Income from banking operations rose by 9.2% to total 1,703 million francs. The increase was nevertheless smaller than that recorded the previous year owing to slower growth in economic activity in France and maintained but less profitable expansion abroad.
- After depreciation and large additional appropriations to provisions for bad and doubtful debts, which were made necessary

- again last year by the deterioration in the financial situation of corporate and sovereign borrowers, the net profit for 1983 came to 53,136,000 francs, compared with 50,935,000 francs in 1982.
- Allocation of the net profit included distribution of the statutory 5% dividend (plus a tax credit) on the Bank's share capital, which had increased from 300 to 660 million francs; in addition, a total of 16.6 million francs was allocated to the Legal and General Reserves.
- The Bank's total shareholders' equity and long-term funds therefore now stand at 4,902 million francs.

The Annual Report from which the above figures have been extracted may be obtained from the Département Information, Etudes et Développement, Banque Française du Commerce Extérieur, 21 Boulevard Haussmann, 75009 Paris, France.

**Electronic Banking Race**

(continued from Page 11)

It's not just software on the state treasury market. It's now the biggest problem banks providing cash and management services is per- g a corporate client's other to cooperate.

at big U.S. banks in Europe, tance, have their own central bank. Upon request of the data on the client's current it and foreign-exchange ex- from another bank can be here. But some banks do ant to feed the data into the bank's base even though it is totally confidential. "re afraid of losing business way," a corporate treasurer U.S. banks have been more oming in providing data to banks on the client's request. electronic corporate bank- et is still at the early stage velopment in Europe. But banks in Europe believe they afford to stay out even if it losing some of the float they made money on when payments were not as

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**INTERNATIONAL Herald Tribune**

Published With The New York Times and The Washington Post

PARIS, FRIDAY, JULY 4, 1984

**Shultz, Sandi King to Confer On First Leg of Midwest Trip**

**Tikhonov Again Warns West on Missile Plans**

**"THE VERY IMPORTANT PAPER."**

**MONTE DEI PASCHI DI SIENA**  
Bank founded in 1472

**Accounts at December 31, 1983**

	Lit. million
Saving deposits and current accounts	13,761,058
Bonds	2,239,310
Reserve funds	1,800,459
Total available funds	28,837,786
Loans and advances	7,626,341
Security holdings	10,122,014
Net profit	24,955

The "Monte dei Paschi Banking Group", which includes MONTE DEI PASCHI DI SIENA, BANCA TOSCANA, CREDITO COMMERCIALE, CREDITO LOMBARDO, ITALIAN INTERNATIONAL BANK Ltd., showed, at 31/12/1983, total deposits in excess of billion Lire 43,000 equal to 325.9 billion (€). Capital resources amounted to billion Lire 2,388 equal to 34.7 billion (€).



















